DOCUMENT RESUME

ED 169 633 EA 011 528

AUTHOR Glenzinski, Mary, Ed.
TITLE National Conference on Catholic School Finance, 1977.
INSTITUTION National Catholic Educational Association, Washington, D.C.
PUB DATE 77
NOTE 93p.; Papers presented at the National Conference on Catholic School Finance (3rd, Dallas, Texas, March 6-9, 1977)
AVAILABLE FROM Publication Sales, National Catholic Educational Association, One Dupont Circle, N.W., Suite 350, Washington, D.C. 20036 ($3.00; quantity discounts; orders of less than $10.00 must be prepaid)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Boards of Education; Budgeting; *Catholic Schools; Educational Development; *Educational Finance; Educational Planning; Elementary Secondary Education; Financial Problems; Financial Support; Lay Teachers; Marketing; Private Financial Support; Program Improvement; Tuition

ABSTRACT

This book is a summary of papers presented at the Third National Conference on Catholic School Finance held in March, 1977. The topics discussed include the board's repsonsibility for finance, current trends, long-range planning, school reorganization, expansion and building of new schools, marketing, foundations, educational development, funding, budgeting, tuition programs, the all lay-school, and a case study. (Author/LD)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED169633

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

NATIONAL CONFERENCE ON CATHOLIC SCHOOL FINANCE

1977

Editor:
Mary Glenzinski

A Publication of the
National Catholic Educational Association
Copyright 1977
All Rights Reserved

EA 011 528

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

NCEA

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

PUBLICATION INFORMATION

Copies of this publication may be obtained by writing:

Publication Sales
National Catholic Educational Association
One Dupont Circle
Suite 350
Washington, D.C. 20036

Prepaid prices of publication, including postage and handling charges:

1 - 9 copies	$3.00 per copy
10 - 25 copies	10% discount
Over 25 copies	20% discount

Orders of less than $10.00 must be prepaid.

Checks should be made payable to:

National Catholic Educational Association

NATIONAL CATHOLIC EDUCATIONAL ASSOCIATION
EXECUTIVE STAFF

Most Rev. Cletus F. O'Donnell, Chairman
Chairman of the Board of Directors

Rev. John F. Meyers
President

Rev. Msgr. John F. Murphy
Sr. Alice Gallin
College and University Department

Rev. James B. Sullivan
Seminary Department

Rev. Msgr. Francis X. Barrett
Department of Chief Administrators

Brother John Olsen, C.F.X.
Secondary School Department

Sister Carleen Reck, S.S.N.D.
Elementary Department

Rev. Alfred McBride
National Forum of Religious Educators

Dr. Mary-Angela Harper
National Association of Boards of Education

Rt. Rev. Msgr. Elmer H. Behrmann
Special Education Department

Mr. Joseph O'Donnell
Vice President of Business Affairs

Mrs. Rhoda Goldstein
Membership, Data Bank

Mr. Carl Balcerak
Communications

Sister Elinor Ford, O.P.
National Forum of Catholic Parents' Organization

Sister Kathleen Short, O.P.
Director of In-Service Programs

Brother Richard Kerressey, C.F.X.
Development

Sister Veronica Grover, S.H.C.J.
Justice and Peace Consultant

NATIONAL CATHOLIC EDUCATIONAL ASSOCIATION
DEPARTMENT OF CHIEF ADMINISTRATORS
COMMITTEE ON FINANCE

Rev. John A. Flynn, Chairman
Director of Education, Omaha

Mr. Richard Burke
Business Planning Coordinator, Hartford

Dr. Richard T. Corrado
Superintendent of Schools, Newark

Mr. Edward B. Fech
Superintendent of Schools, Lansing

Mr. Bernard D. Helfrich
Superintendent of Schools, Bridgeport

Sr. Caroleen Hensgen
Superintendent of Education, Dallas

Bro. Leo Ryan
Dean, University of Notre Dame

Rev. James Seculoff
Supt. of Education, Fort Wayne-South Bend

Rev. Ralph Seikel
Superintendent of Schools, Savannah

Rev. Msgr. Edward F. Spiers
Consultant, Catholic University of America

Rev. James R. Tracy
Superintendent of Schools, Camden

TABLE OF CONTENTS

Introduction 1
Rev. Msgr. Francis X. Barrett

The Theology of Finance. 3
Mr. Robert E. Tinker

The Board's Responsibility For Finance 8
Rev. Robert W. Wilson

Current Data and Trends in Catholic School Finance 14
Rev. Msgr. Edward F. Spiers

Long-Range Planning for Catholic Schools 27
Rev. Richard L. Conboy

Consolidation Vs. Segmentation Strategies for Diocesan Secondary Schools. 35
Mr. Richard J. Burke

Planning Catholic School Reorganizations 38
Dr. James J. Cusimano

Expansion and New Schools 46
Rev. Msgr. John J. Leibrecht

Is Marketing the Answer To Your Organization's Problems? 50
Dr. David L. Appel

Foundations. 61
Mr. John Harmon

Omaha Archdiocesan Educational Development 65
Rev. Thomas O' Brien, Rev. John Flynn, Mr. Jerry Jarc

Budgeting, Accounting and Reporting. 72
Mr. John J. Augenstein

Tuition Programs In Catholic Schools 74
Mr. Bernard D. Helfrich

The All Lay School 76
Ms. Caroline Cappell

Voluntary Support of Catholic Schools in the Central City of Milwaukee. 82
Rev. John Hanley

INTRODUCTION

The financing of Catholic education has always been a source of concern and interest to all those involved in operating Catholic schools. There is a constant search for new methods, new ideas in the area of finance. In 1974 and 1975, the NCEA, through the work of the Finance Committee of the Chief Administrators Department, presented national conferences on Catholic school finance. The work of these conferences was published in two books. These books are extremely valuable reference works for those interested in all aspects of financing Catholic education. They present the thinking and the research of a number of educational practitioners speaking and writing from their experience.

This present book presents the work of the Third National Conference on Catholic School Finance. It is intended to be a summation of the papers presented at that conference. The conference was held in Dallas, Texas from March 6-9, 1977. This conference intended to build on the past ones. Therefore, it introduced some new approaches to subjects previously treated as in Ms. Cappell's talk on all lay schools, as well as new topics such as Dr. Appel's talk on marketing.

In preparing the talks from the conference for publication, some editing has been done. In order to avoid duplication, substantial parts of tne talks on tuition and accounting which appeared in previous conference reports have been omitted in this publication. While the presentations were deemed essential to those attending their first conference, it was felt that there was no need to reduplicate them entirely in this book. Reports from the 1974 and 1975 conferences are available from the NCEA Publications Office.

I wish to express my sincere appreciation to Fr. John Flynn who has served faithfully as chairman of the CACE Committee on Finance. Without his initiative and effort, the 1977 conference would never been held. Thanks are due also to all the members of the Finance Committee as well as to the presenters. Special thanks to our Dallas hostess, Sr. Caroleen Hensgen, Superintendent of Education for the diocese of Dallas. Finally, most especial thanks must go to Ms. Mary Glenzinski, the Conference secretary who prepared this book.

Msgr. Francis X. Barrett
Executive Director
Department of Chief Administrators

THE THEOLOGY OF FINANCE

Mr. Robert E. Tinker
Partner, Conser Gerber Tinker Stuhr
Chicago, Illinois

Religious education, Catholic education is an adventure in faith. A priest ministers to men, women and children with faith that through him God will make his a healing, saving ministry. Through the priest, God reaches out for the hearts and souls of people. Sometimes people are responsive, sometimes they are not. There are no guarantees.

A teacher meets pupils--child or adult--with faith that an experience of learning and growth will take place. There are times when the response is good and times when it is not. There are no guarantees.

The Church and the priest are commissioned to minister to those in need of salvation; the school and the teacher are challenged to provide education for the uninformed. Together, the Church and the school pass down the heritage of faith and learning. They encourage the discovery of new facts and interpret God's continuing revelation to man. There are no guarantees.

There are great challenges to any effort. While there are disappointments, there are many successes. The leap of faith produces great gain for man's relation with God. By faith Churches have been built where none stood decades or generations ago and from whose ministries all benefit. By faith schools have been built and staffed. Open to all, they have provided religious education for significant sectors of our society. These churches and schools have been built by the hard work and sacrifice of men and women whose minds and hearts have been touched by God. They are strong statements of man's partnership with God in a worshiping, teaching, healing ministry for all people.

Financing the Church and the school in their joined missions is a task that challenges the best any can bring to it. Pyramiding costs, escalating salaries, soaring fuel bills, changing patterns of enrollments require fresh thinking, sound judgment and much wisdom of boards and administrators.

What is required to survive? First, state your commitment. You must accept and believe your faith. You must accept and believe in your education and its programs. You must bring integrity to your worshiping, praying and preaching; to your teaching, learning and your efforts to inspire others to learn. Your lives--personal and professional--must give witness to what you believe and confirm what you teach. It is not possible to get others to believe what you do not believe, or get others to practice what you do not practice, or to get others to learn what you consider unimportant and trivial.

The focus of Catholic education is a true integration of faith and learning. There is nothing theoretical about it, nothing "iffy." It is being and doing; it is receiving and giving. It is an exciting combination of acceptance, love, discipline, faith, knowledge, persistence, trust, commitment and risk. It is a highly subjective experience that is new and fresh each day.

The facts of your faith are to be learned amd mastered. They must be communicated by teachers with enthusiasm in their lives and in their teaching. The school cannot be separated from the Church, the parish or the diocese. The facts about each of these are important. A listing should include:

Whom does your Church serve? How many people does it minister to? How many families? How long has it served? What ministries are available?

Who founded your parish and your diocese? When? Who in the community are not now reached by the Church?

What resources in dollars, people and facilities are used in carrying out the mission of the Church?

What programs and services does the school offer? To whom are these programs and services available? What is the enrollment?

Who are the administrators? Who are the members of the Board? What are the qualifications of each?

What is your physical plant?

How many books are in the library? What other learning tools such as laboratories, teaching aids, audio visual resources are available?

What is your budget? What are the sources of income? How is this money spent? What are the total assets of the school? What are the liabilities?

What does it cost to educate a child at each grade level? What does it cost to put a teacher in a classroom? What do special teachers, coordinators and consultants cost?

What is the gap between the cost of education and the income received from tuition and fees? How is this gap closed? Or, is it?

How many alumni, graduates and former students, are products of your school? Who are they? Where are they?

Who paid for the buildings and the other learning resources now in use?

Once the facts of your program are known, they must constantly be evaluated. Again, we can ask a series of questions regarding them:

Are your programs and services meeting the needs of those in the church, school and community? Are they of the quality needed and expected? Should old ones be changed or new ones added?

Are the physical resources of buildings and equipment adequate? Are your buildings well used--each day? throughout the year? How might they better be used?

Are administrators and teachers properly equipped for their assignments? Are their objectives clear? Do their objectives match those of the school? Of the Church?

Is your budget adequate? If not, where is it inadequate? How much? What difference does it make? To whom? What impact does this have on the students and the Church?

It is also important to report the facts to those being served and to the many who have varying degrees of interest in what you are doing and who can have an impact on your ability to continue to do it. This is not a one time effort. It is a continuing responsibility.

Following this, seek the evaluation of these facts by those you serve and those you seek to serve. Involve key publics as partners with you in examining and firming up your philosophy and statement of commitment. Ask them to help plan short range and long range objectives and to help carry out the agreed upon programs.

As educators, you hold a sacred trust--the education and the formation of the minds and souls of boys and girls, men and women are in your care. As administrators and teachers, it is difficult to maintain the fine balance of the secular with the sacred, the finite with the infinite. But try you must.

The facts of your program must be matched with truth and value. Only as institutions which serve people and their needs are worthy of being continued and preserved for future generations. Only then may they become worthy instruments of God. Your institutions must be interpreted in all that they do to serve man, so God's dreams for man shine clear. As reflected by men, they must be adequate dreams, worthy dreams.

The financing of these programs of the Church and school must be achieved. Make no mistake, there is no lack of money. All the resources of this world and of the next are God's. The lack is in us and in our perception of what we're about in partnership with Him.

Communicate well the facts, the values; the stewardship of your programs. Be confident in your own commitment to them. God has the power to move men's hearts and minds and give the increase.

Examine carefully your areas of strength. No ingredient is more important than a teacher. In Catholic schools, the teacher is a special kind of person bringing a unique commitment. Be that teacher a priest, a brother, a nun, a lay man or a lay woman. Let us examine each briefly and with special insight:

What is a priest-teacher? Describe what he brings to his task, what he represents, for whom he prays and why; how, as a man, he wrestles

with temptation, gets discouraged, is tired, yet he keeps on giving and forgiving, teaching and learning. Describe his influence on boys and girls, on young men and women. His hours are long, spent in many ministries to people. His life is a witness to his faith. What a privilege it would be to many parents and friends alike, to underwrite the cost of putting a priest-teacher in the classroom for a year, a month, a week, a day.

What is a nun-teacher? How many times her prayers penetrate the dark veil dropped over a family or a life. How often her touch and her presence bring healing, understanding and peace. How often she brings laughter, openness and understanding to the lives of others. How, facing temptations, weakness and uncertainties pressing in from all sides, she is used by God to bring light, knowledge, love and forgiveness. Wouldn't it be a privilege to pay for a nun-teacher in the classroom? That puts the meaning of teaching in a Catholic school in a different value context and the response and involvement of people in Catholic education will be quite different.

What is a brother-teacher? He is dedicated to a special form of ministry, teaching. All his waking hours and energies are focused on bringing excellence, the excitement of learning and discovery to students. Tired though he may be, his life forces are used up in service to mankind for God and the Church. Patient when others are short, he counsels and encourages students over rough spots when teachers in other schools have gone home. He is a man of prayer. He is a man of action responding to God's will. What greater investment in education could a caring person make than that of putting a brother-teacher in a classroom?

What is a lay-teacher? He or she is dedicated by choice to Catholic education. He/she is available to the student who is puzzled, who doesn't understand, who is frightened or threatened by a problem between dad and mother and who can't concentrate in class, but wants to learn. He/she is responsive to the child taunted by his peers to cheat, to give way to a momentary passion. He/she often takes time after eleven at night to write personal comments on each student's paper so they may learn and be encouraged. Wouldn't many parents or friends respond with joy to helping pay to put such a lay-teacher in the classroom?

It is also necessary to explain the curriculum. Have you taken time to communicate to the people what is art, what is music, what is history, in man's world and in God's? What do we say of the many disciplines that are tools for action, that bring insight, understanding and enrichment to man's encounter with himself, his fellow men, his world? Report these in a meaningful way as they really are in value terms, in people terms, in God's terms.

Money is necessary. It is a fact of our material world no administrator can ignore. Its need represents more than money need. It represents service and ministry important to people.

Give people, your people, opportunity to respond to their needs and interests. Are these interests books? or mathematics? or languages? or

geography? Spell out the true value and worth of each of these. Explain why they are important. Put a spotlight on the role they play in man's lives. Knowledge is God's great gift to man. Give concerned people opportunity to invest in a significant piece of the action.

You assume people know all about what you do and its importance. They don't. Because they don't, budgets are slim, facilities and tools are less than adequate. If they knew, a surprising number would care and respond. Prepare a catalogue of investment opportunities, not to be mailed, but for you and key volunteers to use in reporting your stewardship and plans for your year and years ahead.

How many dollars will underwrite the total religious education of a child for the year? That's an unknown quantity, but a great investment.

> Dream no little dreams, they but shrivel the heart. Dream the big dreams that challenge men's souls and stir the blood--that give men a meaningful partnership with God in His plan of salvation for man.[1]

[1] Inspired by a statement of Daniel Burnham

THE BOARD'S RESPONSIBILITY FOR FINANCE

Rev. Robert W. Wilson
Vicar of Education
Diocese of Fort Worth

The Board's responsibility for finance. Who is in charge of what for whom?

Bishop?	and/or	Diocesan Pastoral Council?
Superintendent?	and/or	Diocesan School Board?
Pastor?	and/or	Parish Council?
Principal?	and/or	Local School Board?

It would seem to me that we need not dwell at length on the distinction between administration and policy, on whatever level. Msgr. Olin Murdick[1] has given excellent workshops throughout the country on the distinction between administering policy and making policy. Most of you have read the literature on this matter. I would like to say that financial matters certainly are of a policy nature. Not only the setting of a budget, but also the development of resources to meet the budget are within the purview of the Board of Education, whether the local or diocesan board. Granted, the Board of Education does not function as a board outside of its sessions. I have seen disasterous consequences of an individual board member visiting a school and trying to make administrative decisions. He or she has no authority outside of the board meeting itself. However, the board can and should set up special committees which may be made up of other than board members. A legitimate committee for an ad hoc purpose would be a finance board.

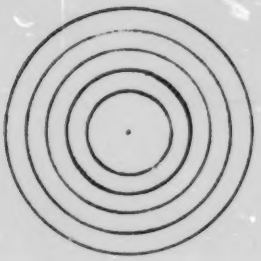
Financing the parish school may be the responsibility of the parish and the parish council, but the school board certainly has a primary responsibility for that same concern. The diocesan school board may be concerned about financing all of the schools, but the local schools should take the first and foremost interest. If we reduce the proposition to the absurd, the responsibility for financing is the bishop's or even the pope's. Effectively, finance, like every other area, is best dealt with on the most local level possible, with the national and international levels contributing what the local areas cannot contribute. Each area must be concerned with its own constitutency, but should also contribute to the whole of which it is a part. A diagram of concentric zones or areas of responsibility follows.

---

1 Msgr. Murdick is the Secretary for Education at the United States Catholic Conference.

INNER CIRCLES

Local Level

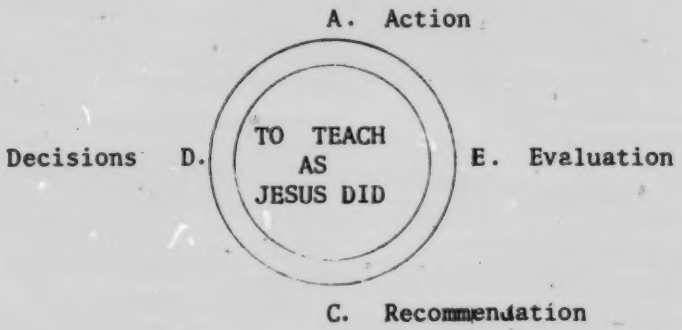


OUTER CIRCLES

National and International levels.

CONCENTRIC ZONES

Another way of looking at the question of administration versus policy making is that all decision making must be done with as much inclusion of all concerned as is humanly possible. Often there is authority, but no power. Do you remember the old saying, "What if someone gives a war, and no one comes?" We have authority only insofar as anyone pays attention to that authority. One model of the decision making process is the power cycle.



THE POWER CYCLE

In this model there are both official and unofficial evaluators. In a school setting, the classic example of an unofficial evaluator is the mother, who while waiting in line for her child to come out of school, chats with the other mothers. Sometimes the evaluation may be derogatory. Usually, when the evaluation is negative, it spins off. If it coalesces, and a group begins to complain sufficiently about something, it will either turn in on the organization, or will be made official and pass on to the recommendation and action cycles. For instance, if people complain enough about a religion textbook, they might be made a committee to evaluate textbooks. They pass on their evaluation to a group of recommenders who make their recommendations to the decision makers, who then instruct the administration on what action to take.

There are also official and unofficial recommenders as well as evaluators. The unofficial recommender can also have power. For instance, if someone

gave $50,000 to the school last year, a casual recommendation may slip right through to action immediately. Such hidden power can be a reality in any situation.

Official recommendations should be passed on to decision makers, of whom there are many. The board of education should always be one of these decision making bodies, but in actuality, the bishop, the pastor, the principal, and many others may be the only official decision makers. Action should be taken only after as many people as possible have been involved in the process. An almost sure way for an organization to begin to deteriorate is to have action without the other processes involved. This would seem to be as true of financing as of any other important decision that has to be made.

Another quality of the power cycle is that it is continuous and self-supporting. Immediately after action is taken, a new process should begin consisting of feedback, new evaluations, new recommendations, new decisions, and new actions. One of the processes that is performed least often, and most poorly, is the follow-up evaluation or feedback. To be effective, the decision making process must be ongoing as a perpetual entity.

In the area of finance research is essential. To set tuition, to sponsor a fund drive, to look for private business funding, is futile without knowing as much as you can both about the problem itself and about the constituency that you have. Research must be accomplished on trends in public education as well as in Catholic education and it should give light to the educational benefit of the Catholic school system in general. Local needs should also be stressed. For instance, what is the status of the public school system in the area? What is the history of Catholic education in the area? The problem and the objective situation itself should be a matter of constant concern to the board so that it knows the product it is attempting to sell.

After having researched the problem thoroughly, and having kept up with this knowledge on an ongoing basis, the board should take a look at the market segmentation of the people served or research the population. What is the socioeconomic level? What geographic areas are being served? Urban? Inner city? Suburban? What volume are we talking about? In Sun City, CA, no one is permitted to settle under 50 years of age. The volume for a Catholic school would be non-existent. What benefit to the population can be demonstrated? At what level is your constituency educationally? What is the percentage of Catholics in the area?

Some dioceses shy away from market or sociological surveys because of the expense. I propose that any diocese with a Catholic university can afford a scientifically accurate survey at minimal expense. Our own small diocese had a survey of the entire Catholic population on a random sample basis, both school parents and parents without children in the schools, by going to the University of Texas at Arlington and requesting a research assistant. A graduate sociology student was assigned the project as a master's thesis. Consequently, we had the supervision of the sociology department and had to provide only secretarial help, much of which was done by student volunteers. Brief surveys should be made on an annual basis to know where our people are. The survey should be made of a stratified sampling; for example, survey parents

of school children and parents without children in the Catholic school, both older and younger parents, etc. The sampling should also be random. The survey itself should be brief, to the point, and clear. Good feedback should be given back to the people concerning the results.

One of the best examples of being product-oriented, rather than people-oriented, was given at a management institute I attended a few weeks ago. When I graduated from high school, my father gave me an Elgin watch. It was a very expensive watch. I had it for many years, and it worked very well indeed. I doubt that any of you have even heard of the Elgin Watch Co. within the past few years. What happened? Someone usually says, "Timex!" That is basically true, but what happened was that the market researchers for Timex moved their sales into drug stores. Whereas watches had always been bought as jewelry, suddenly, they became popular as mass distribution items, and the exclusive Elgin company was forced out of the market. If we are not careful, we may have an excellent product--Catholic education--but no people to serve. Although we must always sell our product, and have a product worth selling, we must be primarily concerned with the people, their needs, and their wants, or we will never be in a position to provide quality education, much less raise money for it. We simply will not have a constituency.

Literature on management and problem solving abounds in techniques as proposed solutions. Almost any problem solving technique will follow the evaluation-recommendation-decision-action model previously referred to in the power cycle. Since it seems to me that the primary function of a board in financing is to follow a careful planning technique, I have listed below an outline of one of these.

A. PRELIMINARY PLANNING

1. Brief, clear objective definition of the assignment (By the board)
2. Gathering the data (Research)
3. Organizaing the data (Display)
4. Assumptions
5. Analysis of all possible solutions, however "far out"
6. Screen the two or three best out of the fifteen to fifty that come up
7. Preliminary presentation of results (Recommendation)
8. Board - administration critique of analysis and recommendations
9. Revisions by the work force
10. Final presentation to board administration (Decision)

B. DETAILED PLANNING

1. Who?
2. What?
3. When?
4. Where?
5. How?
6. Presentation of detailed plan to board (Final decision)

C. ACTION IMPLEMENTATION

1. Progress reporting
2. Updating-modifying the plan
3. Completion
4. Documentation

D. FOLLOW-UP

The above process allows for maximum participation in the decision making process. National research surveys, such as those of Father Andrew Greeley have indicated that people are willing to pay for quality Catholic education and many examples have been given of situations where once the stability and longevity of the schools is proven, parents come forth and support the school system substantially. An example of this occurred in the Archdiocese of Hartford, CT, a diocese which has taken the philosophical stance that schools can be kept open, and indeed has done so. The example given was one in which a local pastor decided to raise the tuition. The people said, "No, it was much too much and they would just have to take their children out of the school." During the following year, a lay committee was set up to assess the situation, survey the needs, make recommendations and to come to some solution. Their recommendation to the pastor and the bishop was the establishment of a lay board. A board was established. When the people saw that long-range planning was assuring the permanence and excellence of their school, they agreed to raising the tuition beyond what the pastor had originally recommended. This is a classic example of authority being powerless without the participation of all levels in the decision making process.

There are four assumptions or axioms that I would say are true of the presentation given above. First, as many groups as possible should be represented on every level of evaluation, recommendation, decision, and action. As the example given concerning Hartford demonstrated, the final goals will be achieved sooner, more efficiently, and more completely if they are the goals of the entire group, and not goals imposed by authority, whether the authority be of the administrator or of the board.

Second, we must look for the real needs and wants of the various constituencies and adjust to them. As described above, we must be people-oriented and not just product-oriented. Let's face it, as board members and administrators, we have vested interests. Survival is an instinct that we all have and a good one indeed for our physical and mental health! However, we must not try to survive as an institution to the detriment of the people we serve. It behooves us to constantly change institutionally and personally so that the People of God may be served in a very real way.

Third, the principles of marketing and research should not prevent us from trying to inspire our constituency. We have a message to deliver, indeed a divine message, and therefore, we should try to inspire as many as possible in the working out of that message. It has been adequately demonstrated that a good recruiting program increases the enrollment in schools even as much as 25 percent. This, by the way, is one financial increase--the number of tuition paying students--that a board can be effective in

bringing about in almost every case. If our product is good, we will be able to sell it and to inspire people to take part in the benefits of Catholic education. Let not our testing the market and researching keep us from always bringing to the forefront the excellence of the product we have to offer.

Finally, don't expect to win everyone over. Marketing researchers tell us that there is an adoption curve for any new idea. Innovators make up the first 2½ percent. These people are "kooks." We really don't want to base any change on people who swallow goldfish. The next group, however, are the early adopters. They make up 13½ percent of the total population. Next is the early majority (34 percent) and after that the late majority (34 percent). Finally, we have the laggards, who make up 16 percent of the total population. As you might expect, most marketing people look at the early adopters. Usually, they are better educated, younger, have more money and are, therefore, better able to experiment. If we can identify the early adopters in our constituencies, which is difficult to do, we are able to test almost any product, including Catholic education or financing it. If we are accurate in our assessment, eventually the great majority of people will come around. Notice, however, that the adoption curve is not a "bell" curve. The laggards make up 16 percent, not 2½ percent as do the innovators. Some of that 16 percent will never come around and we must simply face that fact.

With adequate planning and with inclusion of as many decision makers as possible in the establishment of goals and the means to finance them, our Catholic school system has a bright future. Such things as estate planning, development of funds from local business and foundations, seeking of additional parental support, or of parish support--all of these are means of financing that the board can consider. Primarily the board should take a leadership in including people in making decisions about how best to finance their schools.

CURRENT DATA AND TRENDS IN CATHOLIC SCHOOL FINANCE

Rev. Msgr. Edward F. Spiers
Consultant, School of Education
Catholic University of America

National financial data on Catholic schools have not been available since the publication of the NCEA Data Bank report, U.S. Catholic Schools, 1973-1974. Most of the financial data in that report involved the 1972-73 school year. As a member of the NCEA National School Finance Committee, I agreed to obtain some recent data.

Lacking any resources, such as personnel, money and computerized equipment, this report is limited to operating expenditures and incomes of elementary schools for the years of 1974-75 and 1975-76. It is based on a short questionnaire forwarded only to the superintendents in each of the 29 archdiocesan offices of education, in the hope that sufficient response would be obtained to provide a representative sample of what is happening and likely to take place in the immediate future.

Cooperation with this request for some comparative data was amazing and replies were received from 24 of the 29 offices. Not all were able to provide complete information for both years but such was provided by ten of the archdioceses. They supplied comparative financial data for both years on 1,220 parish elementary schools, which is 15 percent of the current 8,340 schools. In addition, ten of the archdioceses supplied non-financial data for both years on another 1,278 schools. The non-financial data, therefore, includes 2,498 schools, 30 percent of the total.

Information was sought on the two most recent years, 1) to supply data to learn what is happening; 2) to obtain additional data on percentage changes to compare with the earlier NCEA Data Bank Reports.

Non-financial Data: 2,498 Elementary Schools

The non-financial data are necessary not only to establish per pupil costs and incomes, but also to determine trends in enrollment and teaching staffs and pupil-teacher ratios which are important factors in studies of school costs. Table I presents statistics on schools, teachers, pupils, and pupils per teacher for each of the 10 archdioceses which were not able to provided complete financial data for both years. This table also includes the sub-totals of the above items of the 10 archdioceses which provided complete data. Individiual statistics for these groups can be found in Tables II, III, or IV. All tables can be found at the end of this article.

The reliability of the data obtained from the sample archdioceses can be determined by using the chart below to compare the sample (column A) with similar data reported in the 1976 edition of "Catholic Schools in Action" (column B), which includes all schools. In short, the current trends (comparing 1974-75 and 1975-76) in the sample match those of the entire group.

Column C in the same chart provides an opportunity to compare current changes with those taking place in 1971-72 compared with 1970-71. These data were reported in U. S. Catholic Schools, 1971-72.

	A. SAMPLE, 1975-76		B. CSA, 1975-76		C. NCEA D. BANK, 1971-72	
	Number	Change/ Year	Number	Change/ Year	Number	Change/ Year
Schools	2,498	-0.9%	8,340	-1.1	8,978	-4.1%
Pupils	869,387	-2.9%	2,500,000	-2.6%	3,073,216	-8.3%
Teachers	33,254	-1.2%	99,319	-0.7%	105,570	-5.9%
Rel. Teachers	11,971	-5.0%	34,750	-6.9%	46,457	-11.1%
Per Cent Rel. Teachers	36%	2 less	36%	2 less	44%	3 less
Pupil/Teacher	26.1	.5 less	25.4	.6 less	31.0	1 less

Comparison of columns A and B indicates that the sample reliably reflects the same trends as the entire group. Moreover, comparison of columns B and C shows that the current trends are a continuation of what started after 1970 and provides hopeful signs of a more stable future for Catholic schools. Yearly trends since 1971 can be summarized as follows.

School closings have declined from 4% to less than 1%.
Pupil enrollment losses have dropped from 8% to less than 3%.
Teacher staff losses have fallen from 6% to less than 1%.
Sister losses are down from 11% to 7%; from 44% to 36% in 4 years.
Pupil/teacher ratio decrease has slowed from 1.0 to 0.5.

Financial Data: 1,220 Elementary Schools

Tables II, III, and IV present both financial and non-financial data which were made available by 10 archdioceses on all their parish elementary schools for both 1974-75 and 1975-76. Tables II and III also include data for several groups which reported completely for one of the years but they do not report any figures from archdioceses which were incomplete. For comparative purposes and to establish trends, Table IV studies only the schools in the archdioceses which reported completely for both years.

Unlike the non-financial, the financial data are reported with a strong "caveat"; the figures cannot be accepted as "facts" but only as guidelines and estimates; this is true of most national statistics. The lack of national uniform accounting procedures limits data interpretation. Recognizing this situation, the questionnaire used in the study sought only "total operating

costs," and "total school incomes," with some breakdown of subsidy and nonsubsidy sources.

Each of the archdioceses which responded undoubtedly uses a standard form of its own, whether computerized or not. However, examination of the computerized forms, which some forwarded, revealed several major differences affecting computation of per pupil costs. In general, accounting procedures vary on a number of "in-and-out" items such as textbooks and instructional materials, transportation, fund-raising, cafeteria, student services, and transfers. Textbooks, for example, may be rented and income included as fees; or, they may be sold to the student and the proceeds either netted under income or expenditure, or reported totally in each column. Textbooks, alone, can vary per pupil operating costs $30-40 and, therefore, it is impossible to accurately compare archdioceses.

It is reasonable to assume, however, that each of the archdiocses did report its financial data consistently for the two years. A comparison, therefore, of the cumulative totals for each year should provide a reasonably reliable estimate of financial trends.

It has already been established that the non-financial data obtained in the sample are representative of the entire group of over 8,000 schools. It seems reasonable to conclude that the financial data involving 15 percent of the schools, from large and small archdioceses in every area of the country, are also reliable.

Operating Costs

It is important to distinguish total school from per pupil (cap) costs. The latter depend on pupil enrollment, while the former are relatively independent of the number of students. Many pastors. school administrators and parish committees fail to make this distinction in preparing school budgets, with consequent grief. In general, the total cost of operating a typical 8-grade parish elementary school will be the same whether it enrolls 250 or 300 pupils, but the per pupil cost rises when the enrollment decreases, and vice versa. When enrollment drops, tuition charges must not only reflect increasing operating costs due to inflation, etc., they must also reflect the added cost of a lower pupil-teacher ratio.

This relationship can be more clearly seen by arranging the cumulative data from Table IV in the following chart.

	1974-75	1975-76	CHANGE	%CHANGE
TEACHERS	16,562	16,250	-312	-1.9
PUPILS	461,282	446,678	-14,604	-3.2
PUPILS/T	27.9	27.5	-.4	-1.5
TOTAL COST	$167,577M	$177,494M	+$9,916M	+5.9
PER CAP COST	$363	$397	+$34	+9.4

The per pupil cost percentage (9.4) was much greater than the total cost percentage (5.9), basically because more students than teachers were lost proportionately (47/1) than the existing pupil-teacher ratio (27.9/1).

Per pupil cost of 7 of 10 dioceses ranged from $350-450 in 1974-75; the following year the range was $350-500 for the same groups. The mode advanced from the $400-449 interval to $450-499.

Cost Trends

Currently, total costs are increasing approximately 5.9 percent and per pupil costs 9.4 percent annually. To determine what will likely happen in the immediate future requires additional information. The last NCEA Data Bank Report, 1973-74, estimated per pupil costs which were obtained in sample surveys and described them as "reasonably accurate approximations." Undoubtedly, the compiler of that data faced even greater handicaps than the present researcher. The size of the survey samples was not reported (probably 5% or 500 schools), nor did the surveys cover the same groups for consistency as the present sample. On the basis of past estimates, the NCEA projected several per pupil costs in U. S. Catholic Schools, 1973-74.

REPORTED	AMOUNT	INCREASE			
1968-69	$178	- %			
1970-71	240	34.8% = 17.4/year			
1972-73	315	31.3% = 15.7/year			
1973-74 (budgeted)	346	9.8%			
PROJECTED	**AMOUNT**	**INCREASE**	**ACTUAL**	**AMOUNT**	**INCREASE**
1974-75	$380	+10.0%	1974-75	$363	- %
1975-76	418	+10.0%	1975-76	397	9.4%
1976-77	460	+10.0%			

The NCEA projections made in March 1974 are reasonably close to the data obtained in this current study. Together the two reports suggest that the more severe financial adjustments which Catholic schools faced in the late sixties and early seventies have come to an end. The reports indicate that per pupil costs can be held within the 5-10% annual increase, depending on control of the declining pupil/teacher ratio. Table IV shows that 7 of the 10 dioceses were in that range and three managed to stay below 5 percent.

Some Major Cost Factors

The three major factors in total and per pupil costs are inflation, percentage of lay teachers, and the pupil/teacher ratio. The school administrator has some control only over the last item. Above the line data in the following chart are again taken from the 1973-74 Data Bank Report; below the line data are from this study.

YEAR	% LAY TEACHERS	PUPILS/T	PP COST	PROF. SALARY % of COST
1969-70	48.6	29		
1970-71	52.8	30	$240	
1971-72	55.1	29		
1972-73	57.8	28.6*	315	61
1973-74	60.1	28.3*		SALARY & BENEFITS
1974-75	63**	27.9	363	
1975-76	64**	27.5	397	75

* By interpolation

**Includes full-time equivalent of all teachers; NCEA data does not

These data suggest what is known by experience; the higher the percentage of lay teachers and the lower the pupil-teacher ratio, the higher the cost. The NCEA reports had little information on salaries of professionals and it is difficult to state whether the 61% includes benefits. While this current study did not request such information either, several of the archdiocesan reports included it (Detroit 78%, Omaha 75% and Washington 75%).

The rapid turnover from religious to lay teachers has greatly slowed. During the 1960s, the staff changed from almost 100% to 50% religious teachers; at the end of this decade, it will likely be about 30%.

This slowdown will obviously help contain costs but the continuing decline in the pupil/teacher ratio will occasion sporadic rather than gradual increase (through inflation) in tuition and fees to the parent. The effect of the pupil/teacher ratio on costs is shown in the illustration below which is based on 1975-76 Archdiocese of Washington averages ($420/pupil, 26/1 ratio, 10% rise in total cost).

	TCHR. COSTS	PUPILS	TCHRS.	PUP. COSTS	PUP./TCHR.
1975-76 (actual)	$ 98,280	234	9	$420	26/1
1976-77 (same enroll.)	108,108	234	9	464	26/1
1976-77 (more enroll.)	108,108	261	9	414	29/1
1976-77 (less enroll.)	108,108	207	9	522	23/1

The relationship between cost control and maintenance of enrollment is obvious. In general, on the elementary level the number of teachers cannot be reduced except through closing of schools or consolidation of grades. The alternative, wherever possible, is maintenance of enrollment through recruitment among Catholics in CCD programs and among non-Catholics through evangelization. Even with the declining national birth rate, the average annual number of Catholic infant baptisms during the past five years has been only slightly less than one million. Inasmuch as the current 1-8 grade level enrollments total between 300,000-400,000, it would seem the potential is there, granted that the location of some schools is not as desirable as they could be from the viewpoint of population.

School Income

Respondents were requested to report the total amount of parish and/or diocesan subsidy, as well as other income. The latter item is identified in Tables II, III, and IV as "Nonsubsidy Income." The major source of such income is, of course, tuition and fees, but it would include some fund raising and miscellaneous sources. Accounting procedures in parishes and dioceses vary in reporting income as well as expenditures: some, for example, report all major fund raising for the school as church income and use it as part of the subsidy; others may report such funds as "other" school income which, then, would lessen the amount of parish subsidy or tuition charges.

Since the 1973-74 Data Bank Report identified three sources of school income (subsidy, tuition, other) and the present study omitted "other" as a specific item, the study of trends is somewhat complicated although the conclusion is evident. In the chart below, the Data Bank Report is presented separately and then two options summarized for comparison with the present report.

1973-74 Data Bank Report			
	SUBSIDY	TUITION & F	OTHER
1968-69	63.7%	27.4%	8.9%
1970-71	60.0%	29.8%	10.2%
1972-73	51.4%	37.5%	11.1%

	OPTION A COMBINE SUBSIDY + OTHER		OPTION B - ADD ½ OTHER to EACH	
	SUBSIDY	NONSUBSIDY	SUBSIDY	NONSUBSIDY
1968-69	72.6%	27.4%	68%	32%
1970-71	70.2%	29.8%	65%	35%
1972-73	62.5%	37.5%	57%	43%
1974-75	56.0%	44.0%	56%	44%
1975-76	54.0%	46.0%	54%	46%

Regardless of the option selected the conclusion is the same: the percentage of the operating costs supported by direct parish subsidy is decreasing, while the percentage supported chiefly by tuition and fees is increasing. Currently parish subsidy accounts for slightly more than one-half of costs and is decreasing about two percent yearly; only three archdioceses exceeded five percent while three were less than the average.

It is most important to distinguish between the amount of school subsidy and the percentage of operating costs supported. Many parishes and dioceses are increasing the amount of subsidy while the percentage of costs covered decreases. For example, in Philadelphia school subsidies by parishes increased $500,000 but the percentage of costs covered decreased by two. Table IV shows that in 1975-76 the 1,220 schools received $3 million more than in 1974-75. However, the $97 million only supported 54% of the operating costs in 1975-76 b[illegible] in the previous year, $94 million was able to meet 56% of operating costs.

Income Comparison: 1974-75 and 1975-76

The present sample should provide a more reliable guide to immediate future trends than previous NCEA data not only because it is more recent, but also because it compares the same groups of 1,220 schools. This minimizes, as far as trends are concerned, the variation in accounting procedures mentioned previously on such items as fund-raising and whether textbooks, transportation, student services (cafeteria, athletics), etc., have been netted or reported as gross income and expenditures, since it can be safely assumed that such data were reported consistently. Such variations explain why it is difficult, if not impossible, to compare any two archdioceses. It does provide, however, an opportunity for every diocese, as well as individual school, to compare themselves with other averages.

In the questionnaire, subsidy was defined as income provided by the parish and/or archdiocese to meet school operating costs; nonsubsidy as all other income. Basically, the latter is equivalent to income from tuition and fees. Table IV reports percentage changes in 10 archdioceses on 6 items: total income, per capita (pupil) income, percentage of operating cost covered, for both subsidy and nonsubsidy income. The following chart summarizes the major findings reported in Table IV in a more descriptive and understandable manner.

	NONSUBSIDY INCOME		SUBSIDY INCOME	
AMOUNT	Increased:	$73.6-80.2 million 8.8%	Increased:	$94.1-97.0 million 3.0%
	Increases:	In all except Omaha	Increases:	Dubuque, Omaha, St. Paul, Philadelphia
			Decreases:	All others except New York (same)
% COSTS COVERED	Increased:	44% - 46% In all except Dubuque and St. Paul (same)	Decreased:	56%-54 In all except Dubuque St. Paul (same)
	Range:	74-75: 17%-70 75-76: 18%-77	Range:	74-75: 83%-30 75-76: 82%-23
PER CAPITA	Increased:	$160-180 12.5% In all except St. Paul (same)	Increased:	$203-217 (6.9%) In all except St. Paul, (same) Denver, Hartford, San Francisco, Atlanta
	Range:	74-75: $64-316 75-76: $67-357	Range:	74-75: $93-327 75-76: $84-350

Tuition rate should not be confused with per capita income. Since most schools have sliding scales for families, uncollected tuition, reduced or remitted tuition for more needy families, the tuition charge would be higher than the per pupil income. A study in Washington archdiocese showed this to be about 7% more. Using 10% as a national average, then the $180 per pupil income for 1975-76, represented a national average tuition charge of about $200. Since per pupil cost obtained in this sample was $397, and non-subsidy and subsidy sources of income were close to 50% of the costs, this seems a reliable estimate. It must be remembered, however, that tuition range would be as great as nonsubsidy-subsidy ranges, about 20%-80.

A summary of yearly trends verifies the conclusion that the years of major upheavals in staff, enrollment and finances of Catholic schools have ended or are ending. The greatest and most immediate problem is holding the annual increase in per pupil costs (9.4%) and, therefore, tuition (12.5%) as close as possible to the current total cost increase (5.9%), resulting from inflation. The controlling factor in this problem, as outlined previously, is maintenance of the pupil-teacher ratio, if not actually raising it. The smaller the class size becomes, the higher the per pupil cost, the higher the tuition, the fewer the students--and on, until closing/consolidation.

SUMMARY OF YEARLY TRENDS: FINANCIAL AND NON-FINANCIAL	
TOTAL COSTS:	increase stabilized, 5.9%, and holding
PER CAP COSTS:	increase somewhat firm, 9.4%; depends on P/T
SUBSIDY:	amount--increase slowed to 3%; future, low increase
	% of costs--decreased to 54%; will fall 1-2%/year
NONSUBSIDY:	amount--increased, 12.5%; could drop, depends on P/T
	% of costs--increased to 46%; will rise 1-2% year
SCHOOLS:	closings have declined from 4% to less than 1%
PUPILS:	losses have dropped from 8% to less than 3%
TEACHERS:	losses have fallen from 6% to less than 1%
SISTERS:	decreased from 44% to 36% of staff in 4 years
PUPILS/T:	ratio decrease slowed from 1.0 to 0.5

Recruitment among Catholic students in CCD and among non-Catholics (evangelization) is the solution. Admittedly, there are residential areas, usurped by commercial or industrial firms, and by highways or parkways, where this is not possible. Most parents will be able to budget for a modest, yearly tuition increase which paces inflation. What they cannot plan and endure are sporadic but frequent high tuition increases. This not only engenders frustration; it occasions lack of confidence in the continued operation of a school.

The ability of parents to meet tuition increases paced with inflation is evidenced in a recent study by this researcher on the comparative contributions of parishoners in the Archdiocese of Washington, for the years 1965 and 1973. They gave 0.9% per capita more in 1973 (corrected with consumer price index), not including their contributions to parish elementary schools. When school contributions are included, they gave 11.5% more (cpi correction, also). This would also indicate that parishes, while they cannot continue to contribute as high a percentage of school costs, can continue to slightly increase the total amount of the school subsidy.

While this report does not depend on the Washington study for reliability, the latter helps to establish both the ability and the willingness of most Catholics in meeting tuition increases which are in tune with current inflation.

TABLE I

NON-FINANCIAL DATA ON PARISH ELEMENTARY SCHOOLS, % CHANGES 1974-75 and 1975-76

DIOCESE	SCHOOLS	TEACHERS		PUPILS		DIOCESE	SCHOOLS	TEACHERS		PUPILS	
1974-75		FTE	% REL.		P/T	1975-76		FTE	% REL.		P/T
Baltimore	90	1,328	39	35,032	26.4	Baltimore	93	1,336	34	32,995	26.0
Boston	185	2,403	53	55,617	23.0	Boston	177	2,303	52	55,492	23.6
Chicago	402	6,480	35	161,407	24.9	Chicago	397	6,392	32	154,145	24.1
Kansas City	50	648	32	14,330	22.1	Kansas City	50	661	31	14,103	21.3
Los Angeles	231	2,615	36	78,579	36.0	Los Angeles	231	2,557	34	77,317	36.0
Oklahoma City	20	198	43	3,267	21.6	Oklahoma City	19	194	40	4,081	21.0
San Antonio	45	470	42	11,803	25.1	San Antonio	45	550	40	12,139	22.1
Santa Fe	21	215	44	5,629	26.2	Santa Fe	21	222	38	5,624	25.3
St. Louis	180	1,979	35	52,198	26.4	St. Louis	182	2,057	32	51,543	25.1
Seattle	65	734	34	15,460	21.1	Seattle	63	732	32	15,280	20.8
SUB TOTALS	1,289	17,070	38	434,322	25.4	SUB-TOTALS	1,278	17,004	36	422,719	24.9
SUB TOTALS for 10 DIOCESES IN TABLE IV.	1,231	16,562	37	461,282	27.9	SUB-TOTALS for 10 DIOCESES IN TABLE IV	1,220	16,250	36	446,678	27.5
GRAND TOTALS	2,520	33,632	38	895,604	26.6	GRAND TOTAL	2,498	33,254	36	869,397	26.1
						CHANGES	-22	-378	-2	-26,207	-.5
						% CHANGES	-0.9	-1.2	-5	-2.9	-1.9

Data compiled from diocesan questionnaire by Rev. Msgr. Edward F. Spiers, Catholic University, January 1977.

TABLE II

DIOCESE	SCHOOLS	BASIC FINANCIAL DATA ON PARISH ELEMENTARY SCHOOLS, 1974-1975											
		TEACHERS		PUPILS		OPERATING COSTS		SCHOOL INCOME					
								NONSUBSIDY			SUBSIDY		
		FTE	% REL.		P/T	TOTAL (MILLION)	PER CAP.	TOTAL (MILLION)	% of COST	PER CAP.	TOTAL (MILLION)	% of COST	PER CAP.
ATLANTA	15	219	35	4,792	21.9	$ 2.084	$435	$ 1.515	63	$316	$ 0.569	37	$119
DENVER	54	619	33	13,644	22.0	5.819	427	1.921	33	141	3.898	67	286
DETROIT	164	2,354	33	65,711	27.9	25.531	389	13.073	51	199	12.459	49	190
DUBUQUE	77	930	34	19,237	20.7	6.964	362	1.254	28	65	5.004	72	297
HARTFORD	92	996	43	25,764	25.9	11.138	432	5.246	47	204	5.892	53	228
OMAHA	68	739	37	16,243	22.0	6.356	391	1.046	17	64	5.309	83	327
PHILADELPHIA	275	4,407	46	138,158	32.1	35.600	258	11.700	33	85	23.900	67	173
NEW YORK	271	3,548	31	108,252	31.3	46.698	431	25.001	54	231	21.698	46	200
ST. PAUL	113	1,622	33	36,495	22.5	17.127	483	5.693	30	156	12.007	70	327
SAN FRANCISCO	102	1,128	33	33,186	29.0	10.278	309	7.184	70	216	3.404	30	93
SUB TOTALS	1,231	16,562	37	461,282	27.9	167.577	363	73.633	44	160	94.140	56	203
BALTIMORE	90	1,328	39	35,032	26.4	11.477	328	7.119	39	203	4.358	61	125
LOS ANGELES	231	2,615	36	78,579	36.0	27.695	352	20.229	72	257	7.465	28	95
SEATTLE	65	734	34	14,923	20.5	6.861	460	2.511	37	168	4.350	63	292
GRAND TOTALS	1,617	21,239	37	589,816	27.8	213.610	362	103.492	48	175	110.313	52	187

Data compiled from diocesan questionnaire by Rev. Msgr. Edward F. Spiers, Catholic University, January 1977.

TABLE III

BASIC FINANCIAL DATA ON PARISH ELEMENTARY SCHOOLS, 1975-1976

DIOCESE	SCHOOLS	TEACHERS		PUPILS		OPERATING COSTS		SCHOOL INCOME					
								NONSUBSIDY			SUBSIDY		
		FTE	% REL		P/T	TOTAL (MILLION)	PER CAP	TOTAL (MILLION)	% of COST	PER CAP	TOTAL (MILLION)	% of COST	PER CAP
ATLANTA	15	225	33	4,633	20.6	$ 2.151	$464	$ 1.656	77	$357	$ 0.459	23	$107
DENVER	54	617	31	13,516	21.9	6.278	465	2.517	40	186	3.762	60	279
DETROIT	163	2,363	33	64,531	27.3	26.692	414	14.456	54	224	12.235	46	190
DUBUQUE	76	870	32	18,123	22.0	6.908	381	1.207	26	67	5.076	74	314
HARTFORD	91	1,009	42	24,491	24.7	11.342	441	5.648	50	220	5.693	50	221
OMAHA	67	746	32	16,400	22.0	6.661	406	1.172	18	72	5.489	82	334
PHILADLEPHIA	273	4,234	45	132,428	31.1	37.500	285	13.400	35	101	24.400	65	184
NEW YORK	268	3,440	30	104,361	32.0	48.245	462	26.540	55	254	21.705	45	208
ST. PAUL	112	1,576	31	35,303	22.4	17.828	505	5.472	30	155	12.536	70	350
SAN FRANCISCO	101	1,170	33	32,892	28.1	10.888	331	8.119	75	247	2.904	25	84
SUB TOTALS	1,220	16,250	36	446,678	27.5	177.493	397	80.189	46	180	97.004	54	217
WASHINGTON, DC	76	1,058	36	27,630	26.1	11.610	420	7.190	64	260	4.442	36	160
GRAND TOTALS	1,126	17,308	36	474,308	27.4	189.103	399	87.379	46	184	101.446	54	215

Data compiled from diocesan questionnaire by Rev. Msgr. Edward F. Spiers, Catholic University, January 1977.

TABLE IV

BASIC FINANCIAL DATA ON PARISH ELEMENTARY SCHOOLS, % CHANGES 1974-75 and 1975-76

DIOCESE	SCHOOLS	TEACHERS		PUPILS		OPERATING COSTS		SCHOOL INCOME					
								NONSUBSIDY			SUBSIDY		
		FTE	% REL.		P/T	TOTAL (MILLION)	PER CAP	TOTAL (MILLION)	% of COST	PER CAP	TOTAL (MILLION)	% of COST	PER CAP
SUMMARY OF 10 DIOCESES													
1974-75	1,231	16,562	37	461,282	27.9	$167.577	$363	$73.633	44	$160	$94.140	56	$203
1975-76	1,220	16,250	36	446,678	27.5	177.493	397	80.189	46	180	97.004	54	$217
CHANGE	-11	-312	-1	-14,604	-.4	+ 9.916	+34	+6.556	+2	+20	+2.864	-2	+14
% CHANGE (All) →	-0.9	-1.9	-2.8	-3.2	-1.5	+ 5.9	+9.4	+ 8.8	+4.5	+12.5	+ 3.0	-3.6	+6.9
(Each) ↓													
ATLANTA	0	+2.8	-2	-3.3	-1.3	+ 3.2	+6.7	+ 9.3	+14	+13	- 13.5	-14	-10
DENVER	0	-0.3	-2	-0.9	-0.1	+ 7.9	+8.9	+ 31.0	+7	+32	- 3.5	- 7	-2.5
DETROIT	0	0	0	-1.8	-2.2	+ 4.5	+6.4	+ 10.6	+6	+12.6	- 1.8	-6.8	0
DUBUQUE	-1.0	-6.5	-2	-5.8	+1.3	- 0.9	+5.2	- 3.8	-2	+ 1.5	+ 1.4	+2.0	+5.7
HARTFORD	-1.0	+1.3	-1	-5.1	-1.2	+ 1.8	+2.1	+ 7.7	+3	+ 7.8	- 3.4	-3.0	-3.1
OMAHA	-1.0	+1.0	-5	+1.0	+1.0	+ 4.8	+3.8	+ 12.0	+1	+12.5	+ 3.4	-1.0	+2.1
PHILADELPHIA	-1.0	-3.9	-1	-4.2	-1.0	+ 5.3	+10.5	+ 14.5	+2	+15.0	+ 2.1	-2.0	+6.4
NEW YORK	-1.0	-3.1	-1	-3.6	-3.6	+ 3.3	+7.1	+ 6.1	+1	+ 7.2	0	-1.0	+4.0
ST. PAUL	-1.0	-2.9	-2	-3.3	-0.1	+ 4.1	+4.6	+ 3.9	0	0	+ 4.4	0	+7.0
SAN FRANCISCO	-1.0	+3.7	0	-0.9	-0.9	+ 5.9	+7.0	+ 13.0	+5	+14.4	- 5.9	-4.6	-10

Data compiled from diocesan questionnaire by Rev. Msgr. Edward F. Spiers, Catholic University, January 1977.

LONG-RANGE PLANNING FOR CATHOLIC SCHOOLS

Rev. Richard L. Conboy
Director of Planning
Diocese of Pittsburgh

A rather long-winded apology for the style of this presentation will enable me to provide a kind of synthesis and outline of its content. At first, it seemed to me to be preferable to use a style today which would involve you in a planning process and thus provide an opportunity for you to recognize that many of your back-home behaviors are, in fact, planning behaviors. I considered that if we used a method like that today we would have the advantage of identifying and isolating those planning behaviors, perhaps a chance for them to be practiced and perfected, accordingly confirming and reinforcing those skills in you--those particular administrative skills called planning.

On the other hand, it does seem to me that a longer range goal might be accomplished if I simply talk with you today about planning so that you might--and I want to emphasize the word "might," because I think it's tentative enough--you might go away from this session not so much with a confirmed and reinforced skill called planning, but with an idea--per chance even a collage of ideas about the potency, the potential, the urgency, the necessity of planning. The educational mode which develops skill is experiential practice, as you well know. The mode which develops idea is a little more complex, and it depends largely upon reflection, reflection upon knowledge; and I have finally opted for a mode which leads to ideas. I have done that, partly because in this setting the only experiential practice we could provide would be simulation (you are not, after all, sitting next to the people with whom you spend most of your working hours). But partly also, I opted away from skill development today because, I confess, if I am to dare the arrogance of being here in some leadership role at all, I simply prefer to take the larger gamble of dealing with ideas rather than with skills. Skills, when everything is said and done, are the province of technicians, and I believe that you are not, and I believe most strongly that you must never allow yourselves to become, or to be perceived to have become, technicians. You are idea people. I want to say that you are the idea people for the American Church of the 1980s. More about that momentarily.

This apology for style is important to me for several reasons. First of all, it provides a rationale for using my lecture style, and therefore it provides me an excuse for keeping you reasonably passive for the next little while which saves me from all kinds of threat, and it allows me to be contrite ahead of time for the Lenten penance that I am suggesting to you of...turning one cheek and then the other...

Second, and I hope much more important, it allows me to distinguish between planning as a skill and planning as an idea. That distinction is crucial to virtually all the rest of what I have to say today.

Third, and perhaps most important, the apology allows me to comment on the description of you as idea people, rather than as technicians. Let me take that point to some little length. The Church in America has always been an educating Church. I think you don't need any particular depth of analysis even of the Acts of the Apostles or of the life of Jesus to find testimony that the priority of the Church is to herald the Good News, to teach. There are other priorities of Church, of course, and some of them are apparent from the very first moments of Jesus' public ministry, but at no moment in the history of God's people is the teaching ministry submerged to other urgencies. Heralding the Good News is, has always been, and remains for all of history, a clear and vital expression by which the Church programmatically identifies itself in time. That is how we know the Church, where it is and where it operates. Other priorities have also become programmatic just as has education, and I think it's important to notice what has happened to all of them in recent history. To do that, I'm going to lean a little on Avery Dulles' Models of the Church. I don't think that I need to spend a lot of time talking about his version of models; I simply want to use them as a way of suggesting that each model has its programmatic expression, and each of them is changing.

I think it would be fair to say that "Institution" as a certain presence of Church has historically been made programmatic primarily through devices of law. We know that the institution expresses itself in time, in history and in geography through expressions of policy, through expressions of regulation, and through expressions that create order in a social system.

We can also recognize the historical expression of the model called "Community." Programmatically, it has been expressed in time and geography by religious congregations, and in a somewhat different way, by the Christian family.

Historically, the model called "Servant" has been made programmatically present through the building of institutions, particularly the institutions of health care, and I would include them all, but I will limit the synopsis of that concept to the word "hospital."

The model that has programmatically been expressed as "Sacrament" has been present primarily through devices of liturgy, ritual, celebration, and in the technical sense, sacrament--seven sacraments.

Historically, the presence of the model called "Herald" has been expressed through devices of mission-ism or missionary-ism, through the device called pulpit, and through a device which in its largest sense would be called programmed or formal education which I will try to capture with the word "classroom." What I'd like to do is to make a couple of points about this particular programmatic presence of Church.

The first point is that of all of the examples that we're looking at, I think it is fairly clear that an enormous allocation of resources has gone into this programmatic expression of heralding the Good News, particularly in that mode of expression called classroom. That's not a point, I think, that we need to investigate. I think we can accept that as a "given" among people who are as familiar as you are with the Catholic school system in America. So just in that parenthesis I want people to notice that of all of the ways that the Church in fact, in time and history, particularly in America, has chosen to be programmatically present, it has paid most attention in terms of resources to being a Herald Church through a teaching mode, particularly in a classroom. I'm not saying that in a judgmental way. (I think it would be interesting if you ask yourself if you heard it in a judgmental way.) But there are some noticeable implications of that fact, i.e. the large allocation of resources to the Herald model through classroom, and among them is this one:

The model of Church called Herald expressed through the classroom has had the highest degree of visibility of Church, and it has also occasioned the highest degree of loyalty to Church. There are other words that we could use to try to capture all that visibility and loyalty mean. I think we could use words like "affinity," words like "caring." We could even use words like "approbation" because it is in this programmatic expression that we have had the fullest approbation, both of the faithful, as a group distinct from hierarchy, and from the hierarchy. So we have a high degree of approval and the result of that is a high degree of support--support that is, I am sure, partly financial, but goes beyond being merely financial. It is a support that is behavioral in many ways, and the priceless or perfect expression of behavioral support for that particular programmatic expression of Church is participation in it. People did, in fact, come to classrooms in enormous numbers.

That's a way of synthesizing, in certainly an admittedly simplistic way, the modes in which the Church has made itself programmatically present.

Let me enter a parenthesis. The reason I'm insisting on the word programmatic is in order to hint at least that there are certainly other significant presences of Church, other from programmatic. I want to make that clear at the same time that I acknowledge that I am not going to deal with it. There are many enormously meaningful ways that the Church is present in the world that are not programmatic. But they cannot be planned, and I come to you to speak from a point of view of planning. All of the ways that the Church is, in the technical sense, charismatically present to people, spontaneously present to people, in a simple reaching-out, caring kind of way, all those ways for the Church to be present are outside the purview of my presentation today. I just want to share with you some programmatic expressions and talk about them.

Two things are important from what has been said so far. One is that historically, in America, a very high degree of loyalty, support, affinity and approbation pertain to the Herald model in the "classroom" mode of expression. The other thing is that every one of these models, in the last

12 years particularly, is changing--changing, I think it is fair to say, radically. The presence of the Institution model, we said, is primarily expressed through devices of law, regulation and order. That's another way of saying that the Institution makes itself present primarily through decision-making. I don't think we need to go beyond asking the question just to remind ourselves what is happening to decision-making in the Church. There is a radical departure from one-man high-level decision-making, at least at the local level. In the last ten years we have even begun to create the environment for new modes of decision-making, and we call them shared responsibility, participative decision-making; we call them consultation; we call them all kinds of names. That change toward broad-based decision-making is by no means a fait accompli. There are still many among us who believe that it is not a good direction to go, but the point of the matter is that it's happening; and from a sociological point of view, if not from a theological one, we can point to the behaviors of people which show us that the institution is becoming present through new ways of making decisions. We have examples called a revision of the Code of Canon Law. We have examples of new structures, such as councils. We have examples of new behaviors called shared responsibility or participative decision-making. I'm suggesting to you that those are becoming sufficiently visible at present in the Church to be called formal, programmatic presences.

Similarly with the model called Community, we no longer look (and I think we should very carefully examine whether we ought still to be looking) to religious congregations as the model for Community. It's not so much that we don't believe that religious congregation is a model of Community, it's just that we no longer believe that it's the only one. The congregations have themselves taken seriously, much more seriously than the rest of us, the necessity to examine, "what does it mean to be community." What they have discovered is pluriform community, to such an extent that we now speak broadly of community as pertaining to every stable configuration of Christians, whether it's the family, the parish, the school, the support group. Anytime there is a stable configuration of faithful people, we seek for that stable group to become community; and so community of faith has become a watch word, a kind of criterion for authenticity in the Church. That, I suggest to you, is a new (or renewed) programmatic presence of Church.

Similarly we discover that the Servant model is programmatically present not just in the form of institutions, which I have characterized by the word hospital, but in many, many other ways. I don't want to go through a laundry list of examples; I simply want to notice publicly that organized movements to express the Servant mode of Church are happening in Justice and Peace efforts which have identified whole new target populations of people in need. Typically we call them the oppressed, and we have whole new definitions of what it means to be oppressed. It has definitions now called "being female," "being Black," "being Hispanic," "being hungry," "being imprisoned," and many others. The target population for the Servant Church is no longer the person who is physically ill or physically unable to provide for his well being. It is everyone who is unable for any

reason in any place, and there are whole new programmatic efforts being made to speak to those populations. I suggest that is a new programmatic presence of Church.

The Sacrament model has new programmatic expressions that I need merely allude to by suggesting that ritual celebration and sacrament have whole new ways of happening that we did not know prior to 1965. Let's take the sacrament of the Eucharist--the Mass itself--think of the ways it has changed. Think of the ways the Sacrament of Reconciliation has changed, indeed, even in the very thrust of the word "reconciliation" as opposed to "penance." Think of the Sacrament of Anointing, and so on.

There are radical changes in the way that the Church is programmatically present in the world.

Let's look now to the model called Herald. The programmatic changes are present in that model too, and I think it's fair to notice them. The Good News is not the exclusive province of pulpits, missionaries, and classrooms. But let's talk about classrooms. Let's talk about that programmatic expression of Church called school. I'd like to submit to you today that we are in a developmental moment which fits a classical description of change.

One of the ways to observe change in a social entity is to look at the expressions of doubt that occur within it, and to plot them.[1] Every social entity goes through a life cycle, even the Church, and typically that life cycle can be plotted as an upside-down bell curve.

From a level of high commitment, high personal investment, high unity of persons (a level where doubt is virtually suspended), the life cycle of a social entity can be plotted downward over time, through various stages of doubt. The first level of doubt may be called operational. The signs of operational doubt are non-conforming behaviors. Questions arise about persons' commitment, and there is a certain ambiguity about who is still "in" and who is not. We're not so sure as we were about who the "we" is.

A second stage of doubt may be labelled ideological. This is the stage where people wonder out loud whether the idea, or goal that we all assented to when doubt was suspended, was really worthwhile in the first place. This is when we ask questions about "why did we do that?"

Further stages of doubt include real, gut-level alienation of doubters. One such stage is ethical doubt, where people begin to believe that this social system is somehow violating people; it is not a just system. At this stage our questions are about the rights of people and whether they are being neglected by this system.

---

[1] The use here of doubt as a gradient of a systematic life cycle has been adapted from a presentation by George Wilson, S.J., of the Management Design Institute, Cincinnati, Ohio.

Finally, the alienated stage of absolute doubt brings the life cycle of the system to its nadir. At this stage there are no more questions, just a cold (or sometimes furiously heated) disowning of the system entirely.

This moment is not necessarily the death of the social system. It is more likely a moment close to its rebirth which, if advantage is taken of all the insights which prodded the doubts in the first place, will progress upward again over time beyond alienation to a renewed, renovated, corrected goal of formulation, new program development and new programming, toward a new fullness of life involving once again the high commitment, high investment of persons--with "no" doubts.

There are some important implications about this life cycle of social systems.

Notice, for instance, that we cannot cope with ethical doubt and especially not with absolute doubt through merely rational means, because they are not occurring (certainly not entirely) at the rational level. Ethical doubt and absolute doubt necessarily involve the alienation of persons; persons who feel, to some degree, betrayed. Alienation is not resolved rationally. No new development ideas will appeal to an alienated person. Basically, dealing with ethical doubt and absolute doubt is a question of rebuilding trust. Trust is what starts the upward thrust to occur. Don't talk to me about long-range planning for Catholic Schools through a process of new goal setting, new program development, and better use of resources when I am at the level of doubting whether it's an injustice to have those schools in the first place. I cannot hear you when you talk to me about your vision, your programs, and your resources, especially when you're asking me for the resources. I'm at a level that doesn't allow me to deal with that consciously and rationally. What you have to do with me is deal with me at the level of trust. That's nearly the most important thing I have to say to you today. Don't deal with a subconscious, subrational doubt or feelings of alienation through a conscious and rational approach. It won't work. What will work is trust. What happens down here at this level of trust? I think, to be perfectly honest, what happens is a lot of dreaming, dreaming in the positive and good sense--dreaming about "what can be" in view of where we are in this path of change, this life cycle of change in the social system. It is going to bring us hopefully to new life and new fruition in a new presence, a programmacic presence, of Church. In my experience, we are right here at this trust-building level--the dreaming level, the rebuilding of a sense of unity and a sense of purpose regarding Catholic Schools.

Further, I think it would be a mistake for me to ignore the radical changes in the programmatic expressions of Church that are being made through the other models when I try to renew this model of Herald which is made present through "classroom." I think it would be a vast mistake for me to presume that these different models are going to have to be in competition. More than that, I think to whatever extent I presume or allow a sense of competition with the other programmatic presences of Church, to that extent, I have failed to build trust. How can I trust my competitor? Certainly I

cannot come to unity with him because by definition, it's impossible. I cannot build trust and competition at the same time. I believe that's an important note about long-range planning.

One step further: the kind of dreaming-together that enables trust and out of trust a dynamic unity in goals, programs and resource allocation (in other words good long-range planning) is the kind of dreaming for which we do have examples in our recent history. We should pay some attention to them. Who are the dreamers of our time? We know them well. Ask any Black child in the U. S. "who was the man who had a dream?" and you will hear the quick and reverent and proud response that it was the Reverend Doctor Martin Luther King, Jr. He's the man who had a dream; he's the man who touched people at the level of trust; he's the man who was able to build, not just through a charismatic presence, but through a theory--a deliberate and conscious theory--of nonviolent resistance. He was able to build toward goals and programs and a whole new allocation of national resources. Surely he's the man that we remember as the holy man of the Sixties, along with one other who dared to dream and who, instead of becoming just a caretaker Pope, said "Hey, let's have a Council." He touched people at the level of opening new possibilities, at the level of inviting a whole new presence of Church which leads toward all of these changes that we've been citing. Where did those changes come from anyway? They came from the Council, out of the dreams of a holy man.

Maybe I should acknowledge that that's really the most important thing I want to share with you today: Long-range planning is a function of spirituality, coming out of the dreams of holy persons, out of the trust that they enable, out of a holy assent to the Gospel. It is <u>not</u> going to come out of better and better strategies for the allocation of dollars. We are going to reach the high up-side of this life cycle only through a process of dreaming, in the same sense that Pope John and Martin King dreamed.

I guess that's a way of saying to you that I don't believe there <u>is</u> such a thing as long-range fiscal planning, and I don't believe there ought to be, and I'd like to be just that candid and that straightforward with you about it. Because no matter how we cut it, financial planning is a strategy and strategy is something you do when you know where you're headed. Strategy is an answer to the question "How?" and we just can't ask the question "How?" until we have asked the questions "Why?" and "Whether?" I'm not silly enough or naive enough to suggest to you that you do not know the answers to the questions "Why?" and "Whether?". I know very well you do, but I'd also like to suggest to you that you may not know them beyond yourself. You may be in the same boat I am which is a boat called Not-Having-Paid-Enough-Attention-to-Where-the-Whole-Community-of-Faith-Is; and in order to build a sense of trust and a willingness to dream together, I need to know where they are. Before I can lay my vision on them, I need an environment in which they can hear me talk. I'm not suggesting any abdication of leadership. I'm suggesting that leadership that is trying to reach for a subrational alienated environment cannot do so with merely rational means. So the leadership that we need is not planning for allocations of resources; the leadership we need is planning for building trust, and I'm suggesting to you that that is a function pure and simple of spirituality. Trust comes

out of holy people for other holy people, at least the kind of trust it takes to build a social entity called Church with all its ecclesial and theological programmatic expressions. That's real planning. That's the idea of planning as opposed to the skill of planning, and if we say that planning is a process by which persons, either individually or collectively (and sometimes collectively enough to be called an institution), perceive a preferred future and reach for it, then we're saying that people can operate against a vision. They do not have to spend much of their time in correction; they do not have to spend much of their time in problem solving. I know that I spend an awful lot of my time solving problems, and every time I get a chance to reflect about it, I get angry with myself because problems are not the definition of life. For me to allocate my energy, my time, all that I am as a resource to problem-solving seems to me to be a sorry misdirection. The vision invites me to participate, to cooperate, not to react.

Let me just finish with a few sentences that pretty much summarize it all for me.

Long-range planning does not begin at the rational level; it begins in trust. Strategic planning, that is to say answering the question "How?" is always going to be short range. It's always going to be flexible and temporary; we are always going to be figuring out new ways to get where we want to go, but the important thing is we've got to know who the "we" is, and we have to know the answer to "where are we going?" There are devices for doing that, and frankly, I had miscalculated the amount of time it was going to take to get this far today. I was hoping to share with you at least one or two of the devices by which such planning can occur. I'm going to skip that because it tends toward that thing called skill rather than idea. I'm just going to try to wind it up with this emphasis on the idea. Let me make the final point: resources, whether we're talking dollars or time or energy or personnel, will follow the dream. They do not cause it, and that's why we cannot begin long-range planning with questions of resources. Resources will follow the assented dream. We are, when all is said and done, talking about spendable resources, and that means I get to decide, and what I will decide is what I prefer. I prefer to spend for what I trust. The long-range plan for financing schools is not a problem to be solved; it's a dream to be dreamed. Don't get bogged down in strategy. The real planning energy will coalesce around a dream and not around a solution. Hang loose!

CONSOLIDATION VS. SEGMENTATION STRATEGIES FOR DIOCESAN SECONDARY SCHOOLS

Richard J. Burke
Diocesan Financial Coordinator
Archdiocese of Hartford

No competent military officer would undertake even a small scale attack on a limited objective without a clear concept of his strategy. No seasoned politician would undertake a campaign for major office without an equally clear concept of his strategy. In the field of parochial school management, however, we frequently find resources deployed on a large scale without any clear notion of where we're going or how we're going to get there.

The 1960s saw the most severe pressures placed on locally autonomous parochial schools. Declining enrollments, escalating costs, declining vocations, and ever-increasing numbers of lay employees literally forced the parochial school administrator to look at, and to borrow, business strategies and techniques. School administrators during this period recognized the fact that in order to insure the long term survival of parochial schools, they had to be businessmen as well as educators. It is the premise of this paper that unfortunately, only the most publicized and popular business strategies were borrowed and developed to any significant degree.

Any businessman worth his salary is well aware of the fact that business strategies must be developed and updated continually, and adapted to the specific problems faced, if that business is to thrive and generate profits. This assumption, of course, is based on the premise that without an effective strategy, competitors will capture a large share of the potential market and, likewise, the profits. Parochial school administrators do not have to be profit conscious. They do, however, face competition from the public sector as well as from private independent schools. Public image and marketability cannot be ignored. The fact that a certain level of demand exists does not negate the need for well defined operating strategy.

During the period in which parochial schools faced the most severe pressures, businesses nationally looked to growth and expansion as the ingredients to ever higher profits. The most publicized strategy toward achieving that goal was that of consolidation and merger. The rationale was simple and undeniable. Economies of scale and efficiencies based on size were generated through consolidation. For businesses, sales and profits increased. Parochial school administrators as well as the public at large, were bombarded daily in the secular press with the successful results of this strategy. It was a logical step for parochial school administrators to attempt to capitalize on the economies of scale available through use of this strategy. Mergers and consolidations among parochial schools became the order of the day.

There is no question that for some schools in many dioceses the consolidation and merger strategy was their only route to long term continuation. However, it was the only strategy promoted. Today we see many regionalized school systems working well, but we also see many consolidations and

mergers falling apart. Without continual growth, economies of scale have a way of eroding. Moreover, the loss of identity within an individual parish or school community has created new problems, perhaps even more difficult to solve than the old. It is my contention that the approach to problem solving should have been broader.

Parochial school administrators need to understand business techniques and strategies and their application. The wholesale use of a single strategy simply cannot work. The population demographics, the internal characteristics and numerous other factors all effect strategy decisions. Among the myriad of business strategies commonly used is one called "Segmentation," backed up by "Segmentation Analysis." I believe that in some instances this would be an effective strategy for pricing (setting tuition levels) at diocesan high schools.

A segment may be defined as any of the parts into which a body naturally separates or is divided. Segmentation, therefore, by definition is the act of dividing into segments. With regard to diocesan secondary schools, the process of segmentation analysis requires the following:

1. Identification of specific markets (or segments)
2. Isolation of market demographics
3. Establishment of demographic mixes to be served
4. Pricing (setting tuition levels).

This strategy, like any other, cannot be universally applied. Physical location, number of diocesan high schools, and population characteristics all play key roles in determining whether the high school markets can be segmented. As a general rule, there should exist at least three diocesan high schools in relatively close proximity. Moreover, the population demographics within the area served by these schools should vary widely. Finally, those population characteristics should be able to be clearly identified and isolated. The absence of any of the above tends to be too limiting to effectively segment a high school market.

Given the availability of the above, segmentation analysis should include:

Identification of Specific Markets

1. Can specific ranges of family income be identified?
2. Do levels of family income appear to be peculiar to certain geographic areas?
3. Is there a correlation between educational goals and family income?

Isolation of Market Demographics

1. Do the schools now tend to cater to a specific income level?
2. Is location the prime factor in a school's ability to cater to a specific income level?
3. Is sufficient transportation available to allow for redistributing students based on income and educational goals?
4. Can the size of markets, based on income, be determined?

Establishment of Demographic Mixes to be Served

1. Based on identification of income markets, establish relative enrollment mixes. (Even at upper-income ranges, care must be taken not to create a totally elite school.)
2. Test (with parent sample) the intended income mix to be served by specific schools.
3. Determine number of scholarships required to effectively implement the mix.

Pricing

1. Determine relative percentage of income to be derived from tuition for schools segmented.
2. Test specific tuition levels (possible to achieve income yield).
3. Market test pricing with parents to insure acceptability.

My research indicates that one other factor may play a key role in determining high school segmentation. Segmentation by sex has deliberately been excluded from this paper although some positive correlation may exist between ability to segment by income levels and desirability of segmenting by sex.

As was mentioned earlier, the wholesale use of any strategy is undesirable. Therefore, any strategy selected should be subject to regular evaluation. In determining whether the strategy selected is correct for any group of secondary schools, the following criteria may be used.

1. Consistency with the broad goals of Catholic education.
2. Consistency with the environment, including population demographics (both static and dynamic).
3. Appropriateness of the strategy in light of available resources.
   a. Scholarships
   b. Inter-school funding (assessments)
   c. Diocesan-wide policies
   d. Diocesan subsidies
4. Appropriate time horizon (clear establishment of a time frame in which the strategy can be implemented).
5. Is the strategy workable?

The last evaluation criterion, while the most simple, may, in fact, be the most important. The true test of any business strategy is simply whether or not it will produce the desired results.

PLANNING CATHOLIC SCHOOL REORGANIZATIONS

Dr. James J. Cusimano
Superintendent of Education
Diocese of Allentown

During the past eight years in the diocese of Allentown, Pennsylvania, approximately twenty Catholic school reorganizations have been implemented affecting students from more than thirty-five different parishes. During this entire eight year period, I worked in the Diocesan Education Office, formerly as Assistant Superintendent of Education and presently as the Superintendent of Education, helping to implement these school reorganizations. This year alone, we are in the process of planning six school reorganizations affecting eleven different parishes. My experience in Catholic school reorganizations includes both the elementary and secondary levels, although the vast majority have been at the elementary level. The Catholic schools we have reorganized have been located in the rural areas and in the inner city. The parishes affected by these reorganizations have been both rich and poor and of widely divergent ethnic backgrounds.

My remarks on Catholic school reorganizations will focus on a philosophy or rationale and a procedure or model to follow. I do not claim this is the only way to proceed but I can state that this model or approach has been successful. The measure of success being that the reorganized schools are still operating, flourishing and graduating students who have experienced a very good religious and academic education. Throughout this presentation, the term school reorganization refers to any major change in the operational structure of a school, such as relocating certain grades to other schools, or merging or consolidating with other Catholic schools.

Philosophy or Purpose

The question arises, "Why should some Catholic schools be reorganized?" The rationale I propose and have used in planning school reorganizations is really quite simple: The purpose of any Catholic school reorganization should be to maintain and improve the Catholic school program.

The benefits or improvements of any Catholic school reorganization generally fall into two categories: educational improvements and financial improvements. The educational improvements can be any one of several benefits. The religious education program of a reorganized school can be strengthened by including some religious staffing in the school. Better grade placements can be achieved in a reorganized school in several ways. One obvious benefit can be the elimination of a double grade situation, which may have been forced upon a school because of low enrollment. Better grade placement can also be brought about by relocating grades so that the school staffs can specialize in the primary level, the middle school or the secondary level, whichever the case might be.

Improved staff placement can mean one of several benefits as well. I believe mixing religious and lay staff in a single reorganized school can be an improvement in staffing. Of course, eliminating duplication of effort where two nearby Catholic parishes operate identical school programs for very small numbers of students can be accomplished through more efficient staff placement in a school reorganization.

School reorganization can also free classroom space for resource centers or expanded libraries or special activity rooms. School reorganization can bring about more efficient use of administrative personnel. Instead of using two trained principals to direct every school building program, it is possible to arrange for a principal to direct the education program located in two buildings.

School reorganization can also bring about expanded curriculum offerings by creating more space for certain academic areas such as art and music. We have used school reorganizations in the diocese of Allentown to encourage the growth of kindergarten programs which have increased in number by 100 per cent over the last four school years.

The financial benefits of a school reorganization can be dramatic, although they are quite often offset by spiraling cost increases for salaries and other operating expenses such as fuel costs. Our experience has been that parishes cooperating in a school reorganization have generally been able to cut costs by eliminating some teacher personnel in the reorganized school. But yet, the costs of operating the reorganized school are still generally higher than the costs of the former school programs because lay salaries have been rising steadily and because there are generally more lay personnel involved in the reorganized school program. What can be said about financial savings in a reorganized school is that it is less expensive to operate than the former school programs would have cost had they been continued without reorganization.

Another financial consideration which must not be overlooked is the possible expansion of the financial support of a reorganized school. Quite often throughout the country, parishes have grown and developed without operating a Catholic school. Through school reorganization, it is quite possible to involve such parishes as an integral part of a reorganized school program. In other words, the reorganized school begins to serve several parishes rather than being identified with a single parish.

Factors Indicating Need for School Reorganization

Let us turn our attention to some of the factors indicating a possible need for school reorganization. The importance of each of these factors varies drastically with different circumstances.

The loss of religious staff, either partially or completely does not necessarily mean school reorganization is absolutely needed. There are many all lay operated Catholic schools in existence which have proven that our religious education programs can be carried on with lay personnel. However, complete loss of religious personnel can be quite a jolt for a parish both in terms of

religious leadership and in terms of the financial implications in replacing religious with lay personnel wherever possible.

Small enrollment is another factor indicating a possible need for school reorganization. Again, what constitutes small enrollment varies with the circumstances. Is the school located in a heavily populated area or does it serve a rural area? Does the area served by a Catholic school have a large concentration of Catholics? Is the Catholic population predominantly elderly? Enrollments will vary drastically for these reasons and many more. The question to consider is whether a small enrollment can be reorganized with the enrollment of a nearby Catholic school for more efficient use of parish resources.

The nationwide average teacher-student ratio at the elementary level is about one teacher for every 24 children. If the enrollment of a particular school averages substantially less than this ratio, it may be a sign that school reorganization is necessary.

Double grades is another possible sign indicating school reorganization is necessary. Once again the importance of this factor varies with circumstances. We have continued to operate Catholic schools with double grades in small enrollment schools where there were no other Catholic schools located nearby. However, the existence of double grades in a Catholic school or schools located in close proximity to one another certainly does not make much sense from an educational point of view. Some educators argue that double grades are really not so undesirable and that as educators we ought to plan more non-graded school programs rather than move students in lock-step fashion from grade one to six, eight, or twelve. I do not think that double grades need to be eliminated at all costs, but I do believe that from a teacher's point of view, it is much more difficult to individualize instruction for children of divergent ages, as well as levels, in the same classroom.

Other factors which may indicate school reorganization is necessary are excessive per pupil costs and deteriorating buildings. Again, these factors can vary widely due to circumstances such as size and wealth of parish. If the costs per pupil are drastically in excess of your diocesan averages, you had better take a close look to determine whether the school will be facing financial disaster in the near future.

Individuals to be Consulted

After these various sign posts have arisen indicating school reorganization might be needed, the next step is to begin a review and deliberation process with a number of key people. The individuals to be consulted in planning a reorganization are: the diocesan office central staff, local pastors, religious community representatives, the bishop, parents (school boards or P.T.A. personnel), principals, faculty, public school personnel and last but not least the Lord!

Each of these individuals will have valuable insights which will be of great help in determining whether a Catholic school should be reorganized and if it is to be reorganized, what new form it should take.

The manner and order in which these individuals are consulted in the planning process can become quite important in order to avoid hard feelings and misunderstandings.

Initial Planning Session

The initial planning session should consist of all pastors to be affected, the representatives of religious communities in the schools, the staff from the Diocesan Office and parent representatives if a school board or other strong parent policy body exists for the schools to be reorganized.

Basic Data to be Reviewed

The initial planning session should review some basic data, which hopefully the central office staff was able to collect prior to the meeting. The data to be reviewed should include: current enrollments, number of baptisms for the past five years, the size of the parishes, the income of the parishes, available teaching personnel, the condition of buildings, current school programs, the distance between nearby Catholic schools, the availability of bus transportation, and the type of parish, i.e. ethnic group, income, old or young and other pertinent facts. An enrollment projection for the next five years should also be made. In discussing this basic data a number of insights will be gained.

Basic Plans for Consideration

There are three basic possibilities to consider: 1) continue operating the same school program; 2) create a reorganized school; 3) close a school building and place students in nearby Catholic schools.

It seems strange to even bother considering the first possibility of continuing the present school program, especially if all these important individuals have been called together to plan a possible school reorganization. It is something we must, however, keep in mind because sometimes the review of this basic data leads to the conclusion that the present set-up should be continued. If the facts lead to that conclusion, don't try to force another solution upon the planning group.

Some Questions to be Raised by Planners

When considering the possibilities of reorganizing or closing a school building, the planning group should ask itself a number of important questions. First, can all present and potential students be accommodated in another nearby Catholic school? Be careful how you respond to this question. Unfortunately, experience has shown that some members of the planning team may suggest that a school can be readily absorbed by another nearby school because of the current enrollment of a particular school. Upon closer examination it is readily seen that the low enrollment is in stark contrast with the potential enrollment. The low enrollment could be due to poor leadership either at the school or at the parish, or at both. If this is the reason for the low enrollment, perhaps school reorganization is not the answer. I have known a Catholic school enrollment to increase by 300 percent in a three year period because of a change in the assignment of the principal. I have also seen a school

revitalized or destroyed within twelve months because of a change in the assignment of the pastor of the parish operating a particular school.

Another question which the planning group should ask itself is whether reorganization with a nearby Catholic school will improve the educational program. Document your responses to this question very carefully. If there are many advantages or benefits to both schools or parishes to be affected, then chances of a successful school reorganization are good. However, if the benefits are very one sided, i.e. that they are particularly beneficial for only one of the parishes or schools, then beware of possible stubborn opposition. Experience has shown, regrettably, that some parishes and pastors do not extend their Christian philosophy of helping their fellow Christians if it means extending themselves beyond their local parish in a very unselfish manner. In other words if one parish is called upon to drastically change its healthy school program to help a nearby parish facing very difficult times, it is not easy to obtain the mutual cooperation and support necessary to achieve a Catholic school reorganization.

Other questions which must be faced are whether there are unique reasons for continuing the current school program and whether it really is financially impractical to continue the current school program. Some strange and surprising responses to these questions can sometimes arise. You might find it necessary to continue the current school program because the pastoral leadership is so weak that to reorganize the school under these circumstances would bring a about a total collapse of Catholic education for the parish. Or you might find that although the costs per pupil are much higher than the average costs in the diocese, the parish can easily afford the current school program. You might also find that a parish cannot afford its current school program but rather than reorganize the school, what is needed is outside financial help from the diocese or other sources.

Experience has most often shown that the following type of reorganization can be very helpful on the elementary level. Reorganizing identical elementary programs of grades one through eight in two nearby Catholic schools to a program of a single school where grades K-4 are located in one building and grades 5-8 in another building. A single principal is then assigned to direct the educational program as a single school.

I have also found that reorganizing a high school program from grades nine through twelve to grades seven through twelve while reorganizing the feeder elementary schools to grades one through six can result in a strengthening of the school program if the high school population is very small and declining in size.

Announcing School Reorganization Plans

Once the plan for school reorganization is agreed upon, it is extremely important how the plan is announced to the parish and to the community. The following model is offered as one which has been used frequently with success. The order and timing should be followed closely.

The initial announcement should be made by representatives from the diocesan staff, the pastors and the religious community of the school(s) to the faculty(ies) involved. The plan is explained in a second announcement by these same persons plus representatives and parents from the P.T.A. or school board(s) to parents of the students to be affected.

In both of these meetings described above it is necessary to provide at least 50 per cent of the meeting time for reaction from the audience. The teachers and parents must be given the opportunity to ask any and all questions about the reorganization. The questions should be answered as best as possible from the research performed by the planning committee. If a question arises to which you don't know the answer, freely admit it and indicate it will be investigated if it is important. If suggestions are made for amending the plan, be open to considering those suggestions in more detail after the meeting.

If some of the parents react with strong emotion to the plan, do not overwhelm them with the conclusion that the plan is the only way to proceed. Allow the parents an opportunity to fully ventilate their feelings for and against the plan. Don't be overly defensive about the plan. Remember that in many school reorganizations, parents and students are being asked to make many changes. Change doesn't come about easily and is very difficult for some people. The planning committee has been working on the plan for many months, but don't expect universal acceptance from the parents in a single evening.

Following the meeting with faculty and parents, the next steps in the announcement process should occur. The third announcement of the plan is made by the pastors at all Masses. Following this, the pastor sends the superintendent's letter of announcement to all his parishioners with his own covering letter. Finally, the superintendent sends out a press release to all local newspapers.

It is important that the pastor and superintendent communicate the reorganization plans to the entire parish because the Catholic school should be an apostolate for the entire parish. It is also important that the superintendent prepare the letter for all parishioners. This approach insures that the official announcement is the same for all parishioners in all parishes affected by the school reorganization. Likewise, it is important that the superintendent prepare the press release to insure that it is positive in tone and professionally prepared.

Follow-up Activities for School Reorganization

After the official announcement of a school reorganization there is a great deal of follow-up activity needed to insure the success of the plan. Most of this activity depends on the principal and local pastors or school board to implement. There is need for an early appointment of a principal; the assignment of a teaching staff; the transfer or purchase of desks, texts, library materials, curriculum materials and of school records. Arrangements for transportation, tuition and parish subsidy(ies) must be made and a new school board or P.T.A. established. Finally, a new name for the school should be approved.

Before closing I would like to briefly discuss one of these follow-up activities--setting up the financial plan for the reorganized school. The funds to operate a Catholic elementary school generally flow from three sources: tuition, school generated income (sales, drives, etc.) and some sort of parish subsidy.

In setting up a reorganized school it is extremely important to carefully select the method by which the cooperating parishes will subsidize the new school program. Let us examine three different typical approaches:

A. Per Pupil Assessment

The operating costs are divided by the number of students attending the school and then charged to the parishes according to the number of children enrolled at the school from each parish.

B. Fixed Percentage of Costs

The cooperating parishes agree to pay a fixed percentage of the operating costs. For example, two parishes may agree to split the operating costs fifty-fifty or perhaps one third-two thirds.

C. Assessment Formula Based On Pupils, Parish Income and Parish Size

A formula is devised wherein each parish subsidizes the school according to the number of pupils it has enrolled at the school, according to the parish income and parish size, as compared to the total number of pupils, the total income and the total size of all the supporting parishes.

The first approach (per pupil assessment) is a very simple approach but probably the worst approach. If a reorganized school is financed according to this method, it can quickly be undermined by the pastor who desires to reduce his educational costs by discouraging his parishioners from attending the reorganized school. The fewer children enrolled at the reorganized school the lower his costs.

The second method (fixed percentage of costs) is a slight improvement over the first approach but can easily lead to disagreement among the pastors if the enrollment from each parish differs drastically from the agreed upon percentage of the costs which each parish will pay. Quite often the problem described with the first approach can also arise if this second method is used.

The third appraoch (devising a formula for each parish to subsidize the reorganized school according to the number of pupils it has enrolled and based on the parish income and size of all the supporting parishes) is a very good approach. Larger and more affluent parishes pay a larger share of the operating costs of the reorganized school when this subsidy

plan is adopted. Although the changing size of enrollment for a particular supporting parish will affect its educational assessment costs, it will not be the exclusive factor determining the educational costs to be carried by the parish. This approach, if adjusted annually, appears to be extremely equitable in distributing the costs of operating a reorganized school among the supporting parishes. This approach is more complex than the first two but will provide a stronger and more stable financial base for the new reorganized school program.

It is important that everyone involved in the planning of a Catholic school reorganization recognize the wonderful opportuniities which reorganization can provide. Reorganization can enable the Church to improve and expand its mission--to teach the gospel message to young people. Reorganization adjusts a Catholic school program to meet the needs of a changing community. It is a form of insurance that insures that Jesus and His gospel message will be taught for generations yet to be born.

EXPANSION AND NEW SCHOOLS

Rev. Msgr. John Leibrecht
Superintendent
Archdiocese of St. Louis

At issue in this article, which summarizes ideas presented more fully at the Workshop on school financing, is whether or not Catholic schooling should follow newly located Catholic populations. Other legitimate issues related to this one, important as they are, will not be directly dealt with. For instance, should old school buildings be replaced by more modern buildings? or, should new school buildings be provided to serve largely non-Catholic enrollments? Many dioceses have functional buildings in locations where only a few Catholic families continue to live, or where there are only few children (whether Catholic or not.) Populations shift; many young families settle away from older areas. Should Catholic schools follow that Catholic population?

My answer to that question is: It should at least be considered. There may be ways of serving at least some Catholic families who have moved into areas where no Catholic school exists, or the already available Catholic school proves too small.

Three alternatives are discussed here: 1) building a new school; 2) opening a new school in an already existing building; 3) adding new classrooms to existing schools. Our experience in St. Louis, certainly not offered as a model, can at least offer examples with which to examine the issue at point.

The fastest growing county in Missouri, St. Charles county, is adjacent to the city of St. Louis and St. Louis County. A new population corridor has developed along a major inter-state highway in St. Charles county, and a sizeable proportion of that population is Catholic. Information from building contractors and the Bell Telephone Company projected continued major growth in the area. Seventeen parishes serve St. Charles county, twelve of which have parish schools enrolling 3,400 students.

In 1975, a new parish was planned for St. Charles county. Named for St. Elizabeth Ann Seton, it was to have a regional elementary school to serve its own parishioners and those of a neighboring parish, St. Robert's, which had been built in 1963. St. Robert's had a four-classroom building used for the religious education of 700 public school students. The pastors of the two parishes and a board of education, whose members would be from both parishes were to be responsible for the operation of the new St. Elizabeth-St. Robert School.

The cost of the St. Elizabeth Ann Seton church, parish house, twelve-classroom building, cafeteria, and office areas was estimated at $1,300,000. Because such an expenditure was beyond the immediate financial resources of the the new parish, the complex was financed by the archdiocesan "revolving fund,"

a plan whereby a parish borrows money from the archdiocese at low interest rates. St. Robert's parish was to pay for the construction cost of four classrooms and also make its four-classroom building available as a "contribution in kind," thereby bringing the new school to a total of sixteen classrooms. For the annual operational costs of the school, the student per capita cost is paid to the school by each pastor for the students from his parish. Parishioners pay their own pastors, in an effort to keep primary identities and loyalties to the parish and not the school. Pastors, in turn, direct the money to the school. Each pastor decides on what is expected financially from his parishioners who enroll their children in the school, but diocesan policy indicates that the parish should subsidize 30-50 per cent of the per capita cost.

St. Elizabeth-St. Robert School opened in its new facilities in September 1976 with an enrollment slightly over 300 students, the majority of whom are in the primary and middle grades. The junior high grades were opened to accommodate those families with very young children which also had a seventh or eighth grader. This year the junior high grades are costly, but were necessary to meet the understandable request of some larger families. The faculty is made up of lay teachers and four religious women, one of whom is principal. The expected enrollment for the school's first year had been 150 to 200. The appreciably larger enrollment indicates the sound support already given by parents.

Several points might be made which are pivotal to this first new Catholic elementary school in the archdiocese in ten years. The decision to build the new school was, first of all, a diocesan decision and not a parish decision. Cardinal John Carberry and his advisors, expecially the archdiocesan building commissioner, encouraged the Catholic School Office in its examination of the advisability of a new school. Because of the substantial cost of the new complex, the diocese had to be willing to accept the financial situation wherein parishes would be dealing with large capital debts simultaneously with substantial school operational costs. Without diocesan commitments, the majority of parishes would not be able to handle capital indebtedness simultaneously with large operational school expenses. (Where an existing parish has no debt and considers building a new parish or regional school as part of the services it wants for its parishioners, the relationships to diocesan financing are somewhat different. But even in this case, the leadership of the Ordinary and the creation of financial arrangements acceptable to the diocese become pivotal matters.)

Secondly, the pastor at the new St. Elizabeth Ann Seton parish had worked in Catholic education for twenty years, had administrative experience in directing a high school, is recognized as an avid advocate of Catholic schooling, and personally welcomed the challenge of starting a parish with a regional elementary school. It was in the St. Charles area that he had been a high school administrator and therefore had many contacts which would be beneficial to the planned developments. All of this obviously points out the importance of the pastor(s) if a new school is being projected, either in a totally new parish or in an existing parish which does not have a school building.

And lastly, I want to mention the religious sister who came as principal to St. Elizabeth-St. Robert School. She is a member of a religious community

which has helped staff several schools in St. Charles county for a long time. Having someone from a religious community which was well established and respected by the people promoted a public feeling of confidence in the new venture.

The above considerations symbolize the detail which must be part of any successful planning. To think there were (and are) no serious problems in beginning this new regional elementary school would be inaccurate. However, the problems have been faced, most of them have been or are being solved, and the school is off to a very solid start.

The second alternative to be discussed is the opening of a new school in a parish with an already existing building. In 1965, Incarnate Word parish was built in St. Louis County. Its twelve classroom building, with accompanying offices and other spaces, was originally meant to house a parish school. Due to many fast developing circumstances at that time, the school did not open. Instead, the parish began a fine parish school of religion (CCD) which enrolled approximately 900 public school students. Two years ago, however, the pastor began a parish school in the building with an all lay staff. Enrollment the first year was 150. This year the enrollment is 250 and the parish school of religion (CCD) program enrolls 700 students.

Other parishes in the archdiocese, built mainly since the middle 1960's, have educational buildings of four to eight classrooms for PSR programs. Some of those parishes, having reduced their financial debts over the past years, may now be in a financial condition which would allow for a parish or regional school if some new classrooms were added to their present facilities. A few pastors are investigating this possibility now and, within the not too distant future, may be able to enlarge their educational facilities to accommodate both a Catholic elementary school and a PSR program for public school students.

Whether as with Incarnate Word parish which already had an educational building which could immediately admit an elementary school program, or as with some other parishes which have a PSR educational building which would need additional classrooms for an elementary school, several factors are worth mentioning.

First, the pastor has to be committed to <u>both</u> programs, the PSR for public school students to which the parish has become accustomed, and the elementary school program. The PSR program cannot become second class in image or second rate in programming merely to accommodate the new school. The main question which the parish has to put to itself is: Do we want to provide <u>alternate</u> services for our parishioners who have school-age children? Is our parish the kind which can offer, and support, both a Catholic elementary school and PSR program? Some parishes cannot, of course. The point here, however, is that some probably can. The assumption which needs to be examined is whether or not, once a parish has a PSR program and no school, the future of the parish and what it offers its young people must always remain the same?

Secondly, it may be good to have one and the same person responsible for coordinating the religious education program in the Catholic school and the PSR. Symbolically and practically, this provides for much more unity in the parish

and more effectiveness in programming. Administrative relationships of such a coordinator to the pastor, parish board, principal and/or PSR administrator need to be developed carefully. The rationale behind the identification of such relationships includes unity, effectiveness, and organizational accountability.

Finally, where possible, parent programs should involve parents of children from both programs, the elementary school and the PSR. This provides assistance for parents in a manner which respects their individual choices for their children, and also fosters mutual understanding and financial support among them.

A final consideration in the area of expansion of schools is the building of additional classrooms for existing schools. In some places where young Catholic families have located, a Catholic school is available but is too small to enroll all who seek admission. In the last two years, 20 new classrooms have been added to five different schools in the archdiocese of St. Louis. These 20 new classrooms are in different counties of the archdiocese where population trends indicate continuing growth. An examination of area growth, Catholic population and its age, present financial conditions, and projected financial capabilities all contribute to the final decision to provide additional classrooms where needed.

Because of my familiarity with St. Louis, I have used it to exemplify an issue in Catholic education: should Catholic schooling follow Catholic population, at least in some instances? Other dioceses, about which I am not sufficiently informed, could also use their experience. My conclusion is <u>not</u> that large numbers of new schools or additional classrooms should be built. However, I do conclude that <u>some</u> new schools and additional classrooms warrant construction in carefully selected areas of a diocese.

IS MARKETING THE ANSWER TO YOUR ORGANIZATIONS'S PROBLEMS

Dr. David L. Appel
Chairman, Department of Marketing
University of Notre Dame

During the last several years, marketing has increasingly become a subject of growing concern and interest to the management of both public and private nonprofit organizations. Several indications of this increasing interest can be seen in the following examples.

1) The College Entrance Examination Board has recently published a book entitled, A Role For Marketing In College Admissions, which is a collection of papers on marketing and college admissions presented at a colloquium on college admissions in May of 1976.

2) Goshen College, a small, religious, liberal arts college in Indiana has instituted a planned program of speakers from both academia and business in order to develop an awareness of marketing as both a philosophy and a tool to help the administration, faculty and staff of the college develop marketing plans and programs to control the future of the college

3) The Girl Scout Council of Northwest Cook County, Inc. (Chicago) has instituted a series of research efforts designed to identify the wants and needs of the members, the leaders and the general public in an effort to adapt their organization to more closely match the wants and needs of the markets they serve.

Numerous other examples could be given of the many and varied efforts that are currently being undertaken in attempts to utilize the concepts, tools, and techniques of marketing in order to solve the many problems encountered by nonprofit organizations. This new use of marketing is not at all surprising, given the difficulties that most nonprofit organizations are having in carrying out their missions, and in meeting their objectives. For example, United Way appeals are having an increasingly difficult time in reaching their goals. This, in turn, is forcing many member organizations to reconsider whether they must again attempt their own individual fund raising activities. Symphonies all across the country are having trouble raising the funds they need to carry out their cultural activities. Museums are facing exactly this same situation. Blood drives fail to reach their goals in many cases. Churches are unable to attract new members, or even to keep existing members active. There is even some indication that the National Catholic Educational Association is becoming interested in marketing when the topic strangely appears on a program that is identified as a workshop on finance. Given this interest, I would like to spend my brief time attempting to tell you a little about what marketing is, and how it can help the public or private nonprofit organization achieve its

mission and its objectives. Most of my comments concern the general area of marketing, rather than the specifics of recruiting or fund-raising. Perhaps another time will be more appropriate for those topics. Before talking about marketing, let me make a comment concerning the relevance of a session on marketing at a workshop on finance.

In my estimate, the topic of marketing is more appropriate to a workshop on finance than it might first appear to be. As any business man will tell you, marketing and finance are very closely related. Marketing decisions to develop a new product, to advertise an existing product or even to change the price of an existing product are, in large part, financial decisions. They are financial in that the organization's assets are being invested in marketing efforts designed to affect the level of sales. With a business firm this level of sales may be more cars or more airline seats. In the nonprofit area this level of sales could be larger enrollments for a college, more leaders for the Girl Scouts, or more blood donors. Regardless of the area under consideration, the desired result of this investment of organizational funds in market development is generally an increased level of sales and profit, which in turn determines, in large part, whether an organization is able to achieve its financial goals and objectives. In essence, marketing is the means that any organization uses to develop the competitive differential advantage in the marketplace that is necessary if the organization is to continue to reach its financial goals and objectives. Incorrectly, at least from my point of view, many administrators of nonprofit organizations only concern themselves with half of this total management area. Administrators in nonprofit organizations are generally very concerned with the financial goals and objectives, but very unconcerned with the marketing goals and objectives that are at least as important to the long-run success of the organization.

Rarely--at least until very recently and then only for a relatively few organizations--have nonprofit organizations concerned themselves with marketing strategies, objectives and programs. I think that the reason for this is fairly clear. Very few nonprofit organizations consider themselves to be in the same type of competitive market situation that a business firm is in. Thus, the nonprofit organization usually operates under the assumption that there is no need for a formal--or even an informal--marketing approach to orient their organizational efforts to meet the wants and needs of selected target markets. And yet, with a few minor differences, most nonprofit organizations are currently faced with market situations quite similar to those of many business firms.

In light of this similarity, the question that I would pose is this, "Is the need for planning in marketing any less valid for the nonprofit organization than it is for the profit seeking firm? I would think not!" The nonprofit organization, just like the profit-seeking firm, must identify wants and needs in the marketplace, and then find a way to change its organizational resources into products that can be offered to customers in an effort to satisfy their wants and needs. While the mission of the nonprofit organization may be quite different than that of the business firm, the concepts, tools and techniques used to achieve these different missions can be the same.

CO

The question of what the nature of the relationship between a nonprofit organization and the marketplace is, can begin to be answered by looking at a very simplified definition of marketing.

> Marketing is the effective management by an organization of its exchange relations with its various markets and publics.[1]

Later, we will look at a more detailed definition of marketing. However, for the moment, this definition should provide the beginning of an understanding of marketing, and how marketing can be used by a nonprofit organization. As the definition suggests, all organizations operate in an environment of one or more publics and/or markets. For example, a university operates in a student market, an alumni market, a faculty market, a research funding market, a donor market, and a public opinion market, to mention only a few of the markets in which it operates. To a lesser extent, educational institutions below the post-secondary level also operate in most of these same markets.

Marketing is concerned with managing the organization's exchange relationships within each of these markets. To be able to manage these exchange relations, it is necessary to understand why individuals within these markets are interested in undertaking exchanges, as well as the benefits that they seek through these exchanges. One key to understanding these exchanges is the basic realization that most human behavior is a purposeful quest to achieve some level of want satisfaction. In attempting to achieve this level of want satisfaction, individuals desire--and seek out--benefits that they feel will help them satisfy their own specific wants and needs.

Individuals seek these benefits through the purchase of various products. Broadly conceived, these products may be anything that have the capability of delivering these benefits sought, and are usually one of three different types of product:

1. Physical Goods - Products that have tangible physical properties that are able to deliver these benefits desired (e.g., automobiles, television sets, shirts or watches).

2. Services - Products that have no, or limited, tangible physical property, and thus deliver these benefits desired through the application of human skills and abilities (e.g., dry cleaners, insurance firms, churches or educational institutions).

3. Ideas and Concepts - Products that deliver these benefits desired through new and different ways of thinking about a certain situation (e.g., better health care, family planning, stopping smoking or energy conservation).

---

[1] Philip Kotler, Marketing For Nonprofit Organizations. (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1975), p.x.

All of these items represent products that can potentially deliver benefits to customers in order to satisfy their particular needs or wants. However, the marketer of any of these products must realize one key point. Rather than just having the product itself, it is through the actual use of the product by the consumer that he or she is able to achieve the benefits desired. For example, students go to college not to take a particular sequence of courses (i.e. a product), but rather in the hope and expectation that through exposure to a certain course of study they will be able to achieve their future needs and objectives (i.e., benefits). It is the expectation of achieving these benefits that cause these people to consume the educational product. The expectations of achieving certain benefits is what causes individuals to consume any product.

All too often an organization forgets this and concentrates on the product that they are marketing as an end in itself, rather than concentrating on it as a means that a customer can use to gain the benefits desired. This can be an extremely critical and costly mistake! Highly successful business firms such as I.B.M. Corp. learned this important lesson years ago. For example, I.B.M. responded by marketing "Problem Solving Information Systems" rather than the computer hardware that they manufacture. The educational industry is not yet this sophisticated. To a large extent the focus of the industry remains on the product offered (i.e., the courses that the instructors can teach and are willing to teach), rather than being on the particular benefits desired by selected market segments that the educational institution might appeal to. The result of this rather myopic, product-oriented vision is obvious. The result can be seen in the 116 colleges that have closed their doors since 1970, and in the increasing number of public and private schools at all levels that are currently operating with deficits.

The reason for these failures and funding problems are numerous and complex. However, in a great majority of the situations, the problem can be traced back to an initial problem in marketing, and to the institution's earlier failure to deliver the type of market offering, or benefit package, desired by the marketplace. The ultimate failure of the institution may well be inside of the organization, and of a financial nature. However, the real cause of the failure is more often a failure of marketing due to the educational institution's unwillingness--or in some cases inability--to offer potential customers an appropriate benefit package. It is the initial failure in marketing that ultimately leads to the failure in the financial management. If the management of these organizations is to prevent this premature, financial failure, it is necessary to begin organizational planning with marketing and to see that the organization's marketing efforts are both effective and efficient. Stated another way, management must make sure that viable systems of "exchange relations" are established and maintained by the nonprofit organization through the delivery of appropriate benefit packages to selected segments of the marketplace.

Now let us return to a discussion of how marketing works. Making marketing work for a nonprofit organization, requires several changes of substance within the organization. To begin with, it is critical that everyone in the organization, from top management on down through every person in the organization, understand the two different roles that marketing has

come to play in creating exchanges between the nonprofit organization and the market segments that it serves. The first role of marketing is that of a philosophy--a management philosophy of viewing the entire organization, its mission and its objectives, from the point of view of the potential customers that the organization hopes to serve. The second role of marketing is the actual analysis of these potential customers and the planning, implementation and control of a series of interrelated marketing efforts designed to match the organization's marketing offering of benefits delivered with the benefits desired by the potential customers that it hopes to serve. Let's look at each of these roles briefly.

As a philosophy, marketing is concerned with creating a customer orientation, or a market orientation, in all of the organization's thinking and action. Although many managers and employees often act as if it is not true, it is critical to remember that the purpose of an organization must lie out side of the organization itself. More specifically, the purpose of an organization must lie in serving society, or more likely in serving some specific market segments with society. In a sense, marketing is able to play a pivotal role in a nonprofit organization through making the consumer the fulcrum around which an organization adjusts its marketing efforts, and making a consumer orientation the "official" orientation of all individuals throughout the organization.

Drucker has said this well in his statement that the only valid definition of a business or organizational purpose is to create a customer. This statement implies what we are already too familiar with in education, and that is that a market for any given product does not automatically exist. Rather, an effective demand for any product--including education--depends on the creation of customers through a continual, effective marketing effort designed to turn consumers into customers for the product being marketed. The marketing process must begin and must end with the customer. Unless an organization starts with a good knowledge of the wants and needs of the customer, there is very little hope that the benefit package offered by the organization will be the correct one.

Thus as a philosophy, marketing implies that management must start with a current and accurate knowledge of the benefits desired by potential customers, and then use this knowledge to bring the organization's resource base in line with the wants and needs of these market segments in order to deliver the benefits desired. This is achieved over a period of time, and hopefully in anticipation of changes in the marketplace. Within this philosophy, the management of the public and private nonprofit organization must develop an appropriate blend of marketing elements to attract the target market segments and meet their benefit expectations. This is generally called marketing management, or the management of the actual marketing efforts.

This second role of marketing is concerned with the actual analysis, planning, executing and controlling of all of the organization's marketing efforts necessary to create and deliver products to selected market segments. One way to understand this process is in terms of marketing strategy planning. McCarthy suggests that marketing strategy planning requires two steps:

1) the selection of a target market; and, 2), the development of a "marketing mix" designed around the target market selected.[2]

The first step--that of selecting a target market--recognizes the fact that no organization can attempt to satisfy the wants and needs of all potential customers. The wants and needs of the marketplace are far too diverse to be served by any single organization. To be successful in its marketing efforts the organization must select one, or perhaps several, very specific market segments, and concentrate on their specific wants and needs. The selection of the specific markets to serve is made by the organization only after researching the many different target markets that the organization might serve, and then selecting those that the organization can most profitably serve. Having selected the market segments that the organization desires to serve, the organization must then research even more thoroughly and completely the needs and wants of these segments in order to understand them in enough depth to be able to provide the appropriate benefit package desired.

After this high level of knowledge about the market segment is achieved, then the organization is able to move into the second half of marketing strategy planning, or the development of a marketing mix. This consists of choosing a mixture of elements that will attract the desired target market and turn them into customers. In a general sense, these elements fall into one of the four types of marketing variables:

(1) Product. Which as discussed above could be a good, a service or an idea;

(2) Place. Which concerns the delivery system the organization uses to bring the product and the target market together;

(3) Price. Which concerns the total cost (both monetary and non-monetary) that the target market is willing to give up in the exchange process to receive the product; and

(4) Promotion. Which concerns the communications between the organization and the target market that is necessary to inform, persuade and remind them about the product being offered.

Thus, from a marketing management perspective, marketing is concerned with combining and integrating the various marketing elements into a "marketing mix" designed to maximize the impact of these efforts at the point

---

[2]For an excellent introduction to marketing, see E. Jerome McCarthy, Basic Marketing, Fifth Edition (Homewood, IL: Richard D. Irwin, Inc., 1975).

of ultimate exchange between individuals and the organization. The key reason for using these elements is simple. They are designed to create, to satisfy and to keep customers for the organization using them. Stated more formally, marketing can now be defined in the following way:

> "Marketing is the analysis, planning, implementation, and control of carefully formulated programs designed to bring about voluntary exchanges of values with target markets for the purpose of achieving organizational objectives. It relies heavily on designing the organization's offering in terms of the target market's needs and desires, and using effective pricing, communications, and distribution to inform, motivate and service the markets."[3]

Kotler suggests that several things should be noted about his definition of marketing.[4]

1. Marketing is defined as a managerial process involving analysis, planning, implementation, and control.

2. Marketing manifests itself in carefully formulated programs, and not just random actions to achieve desired responses.

3. Marketing seeks to bring about voluntary exchanges of values.

4. Marketing means the selection of target markets rather than a hopeless attempt to win every market and be all things to all men.

5. The purpose of marketing is to achieve organizational objectives, and effective marketing planning requires being very specific about target objectives.

6. Marketing relies on designing the organization's offering in terms of the target market's needs and desires rather than in terms of the seller's personal tastes.

7. Marketing uses and blends a set of tools called the marketing mix--product mixes, distribution systems, communications efforts and pricing strategies--in order to attract the target market.

---

[3] Kotler, op. cit. p. 5.

[4] Ibid., p. 6.

Should Nonprofit Organizations be Interested in Marketing?

Now that you have a better idea of what marketing is, the next logical question is whether nonprofit organizations should be interested in marketing? I would hope that by now, your answer is definitely yes! In fact, it should be evident that all public and private nonprofit organizations are already involved in marketing efforts whether they are conscious of these efforts or not. All nonprofit organizations are involved in exchange relationships in their attempts to serve certain market segments with a package of benefits. In addition, all nonprofit organizations have developed and are using certain operating policies that control the exchanges with these market segments. These policies are, at the moment, determining the organization's marketing effort. Unfortunately, at the present time, most of these efforts are occurring without the benefit of any planned marketing effort. Thus, it would seem as if the real question is not whether to use marketing, but rather whether to use it in a planned, management approach or whether to just let it happen by chance. If your particular organizations are to survive, I submit that the management of these exchange relationships is far too important to be left to chance!

Think for a moment about the particular organization that you represent. That organization is identical to other organizations--both profit seeking and nonprofit--in several ways. First, every organization is a purposeful association of individuals who are seeking to achieve a certain mission, objectives or goals. Second, to accomplish this mission or these goals, the organization must succeed at three tasks: (1) It must attract sufficient resources; (2) It must convert these resources into goods, services or ideas; and, (3) It must market these outputs to the consuming public at some reasonable rate of return on its resources. Third, in our particular society, these tasks are carried out through voluntary cooperation, rather than through some other system such as force. Fourth, given a system of voluntary cooperation, the exchange process is the process used by an organization to achieve these ends.

Thus, exchange relations are the key to whether any organization is able to survive in the long-run. These very critical exchange relations are the essence of marketing. Exchange relations call for the organization to offer values to various markets in exchange for other values from these markets in return. It is through these exchange relations that the various social units --be they individuals or organizations--acquire their inputs and sell their outputs. Each party to the exchange must also feel that they are gaining more in the exchange than they feel they are having to give up, or the exchange will probably never take place.

Since these exchange relations are really the key to survival for any organization, and since marketing is the most effective and efficient means of achieving these exchange relationships, it would seem only logical that administrators of nonprofit organizations can improve these exchanges, and potential exchanges, by improving the marketing efforts that are responsible for them. An example may help here. For this example, consider a small, private, liberal arts college. Assume that the college is controlled by a board of trustees, and that the president of the college is interested in

improving the relationships with existing members of the board, or stated in more formal terms, he is interested in improving the exchange relationships between the college and the individual board members.

To do this, the president of the college must first determine the nature of the key benefits desired by each party to the exchange relationship, and then second, he must develop a planned and coordinated marketing effort to maximize the potential benefits to each of the parties to the exchange relationship. The benefits desired by both parties must be identified through study and research--both formal and informal--to completely identify the nature of the potential exchange relationship. Assume that the analysis of the situation indicates the following desired benefits. The college is interested in obtaining benefits such as guidance, direction, leadership and support in terms of time and money from board members. The individual board members are interested in obtaining benefits such as respect, appreciation, a sense of guidance, and being a part of the reason for the college's success, involvement and even self actualization. These benefits desired by both parties then become the elements around which the exchange relationships are designed.

The president of the college must then develop a mix of marketing elements--or a marketing mix--that will maximize the delivery of these benefits desired by the individual member of the board. Naturally, these desired benefits will not be the same for all board members, and the emphasis on specific elements of the marketing mix will need to be adjusted to reflect the specific benefits desired by each board member. A group of elements for this potential marketing mix, although certainly not the complete marketing mix, might include the following:

1. Product (the physical goods, services or ideas)

    a. Design meetings with very high levels of participation for the trustees where their key inputs are sought and feedback is given concerning action taken on their past decisions and suggestions.

    b. Create additional opportunities to involve the trustees with students, parents, faculty and other leaders in order to enhance their perceived status with each of these groups.

    c. Develop every opportunity to involve the trustees in decision making and exposure to the university since involvement may be the key to allowing them to achieve their individual goals.

2. Place (the delivery system to bring the groups together)

    a. Design the trustees' involvement to minimize the perceived expenditure of time and money necessary to carry out their responsibilities.

b. As often as possible, the necessary meetings, etc. may be taken to a more convenient location for the trustees in order to ease the strain on their time (however, not too often since being on campus is critical to their involvement).

c. Tie meetings on campus in with other activities that the trustees will enjoy coming for on their own merit (i.e., sports activities).

3. Promotion (the necessary communications)

a. Design all communications between the college and the trustees to reinforce their perception of how important the trustees are to the college, and how much the trustee is helping the college to realize its goals.

b. Develop other communications (i.e., publicity) to inform other segments of the college community how important and helpful these trustees are to the college.

c. Place their names and pictures in prominent places and publications in order to reinforce to all, the importance of these trustees to the college.

4. Price (the cost to the trustees)

a. Develop methods of giving (i.e., both of time and money) that allow this giving to be as painless as possible.

b. Develop specific projects in a number of areas and sizes (i.e., dollar ranges) to allow the trustees to pick their involvement according to interests and abilities.

c. Find ways to see that they receive maximum benefits through exposure to others of what they have done or have given.

Thus, through the use of marketing as a philosophy and series of functions, administrators of nonprofit organizations are able to identify these possible exchange relations and the benefits desired by each of the respective parties to the exchange. Knowing the benefits desired, administrators are able to plan, implement, and control the various marketing efforts necessary to make the potential exchanges a reality. Two key points in the process are again that each market segment must be analyzed separately to identify the benefits sought, and that each market segment will then require an individual and unique marketing effort designed around the unique set of benefits desired.

What Is Needed to Make Marketing Work?

To make marketing work for your particular organization it is necessary that you begin immediately to do several different things:

1. You must develop a strong, top management commitment to develop a total marketing orientation that permeates the entire educational institution.

2. You must translate your mission, objectives, and goals into direct-action, measurable marketing efforts and transmit these to every level and division of the educational institution.

3. You must delineate your market segments, identify the benefits desired, and identify the marketing efforts necessary to assure the existence of these exchange relations.

4. You must develop and implement a mix of marketing tools and techniques to achieve the desired exchange relations in very carefully formulated programs.

5. You must continually measure the effectiveness of the marketing efforts, and the degree of satisfaction evident in the market segments, and adjust the benefits and efforts where necessary.

There is little doubt that these tasks are not easy ones. Yet, in many respects whether they are undertaken at this point in time will determine the future existence of an organization, or at least what this future existence will look like. I suspect that the real question is whether the nonprofit organization can afford to exist without marketing? After all, the long-run financial success or failure of the nonprofit organization will, in reality, be determined by the long-run success of the organization's marketing efforts.

FOUNDATIONS

Mr. John Harmon
Raskob Foundation Board
Medford, Oregon

Foundations are often viewed as the source of the big grant and the one resource of American philanthropy that can save you from financial disaster. Both of these views are far from the truth. Three important aspects of the American foundation that I would like to explain are:

1) The role of the foundation in American society
2) The characteristics of a foundation
3) A method of approaching a foundation

The private foundation is America's gift to the world. Foundations are as uniquely American as are such things as the two party system, judicial review, the private university or the separation of church and state. To further illustrate this, let me quote Henry Steele Commager:

> As early as 1868 young Andrew Carnegie - already on the road to wealth - wrote that the amassing of money was "one of the worst species of idolatry." Twenty years later he added, in a famous article on the gospel of wealth, that "the man who dies rich dies disgraced." He meant it, too. When, in 1902, he sold his great steel company to the newly organized United States Steel Corporation for a quarter billion dollars, he retired to devote himself to avoiding "disgrace," and before he died he had given away over three hundred fifty million dollars.
>
> This almost instinctive gesture, by the Scottish immigrant boy who became the most ardent of American patriots, was part of a pattern that had been in the making since the beginning of the Republic. Benjamin Franklin left his modest fortune to the cities of Philadelphia and Boston - both of which eventually set up Franklin institutes - and the French-born Stephen Girard, who made a fortune in banking and shipping, gave six million dollars to found a school for orphans. Another immigrant, John Jacob Astor from Germany, whose real estate investments made him the richest man of his day, donated several million dollars to libraries and colleges....
>
> The shift from religious to secular charity, in any significant degree, occurred first in America....With Carnegie, and then with John D. Rockefeller, whose philanthropies were conducted on an even more princely scale, (kingly would be more apt a term; no prince ever gave on the scale of Carnegie or Rockefeller), philanthropy not only took on a new form but a new direction. Both had thought to dispose personally of their fortunes; both learned that to do so wisely was beyond their powers, and set up foundations to do the job for them.[1]

---

[1] Henry Steele Commager, "The American Style of Giving," The Mainline Magazine, (December 1976), 41.

The assets of these five types of foundations amount to $31.5 billion and according to the 1976 Annual Report of the American Association of Fund Raising Council, they made grants of $2.01 billion or 7.5% of the private charitable giving in the United States in 1975. Where does the rest of American philanthropy come from? Individuals, corporations and bequests. There are 4,000 foundations that have assets of over one million dollars. There are only 450 that have assets over $10 million and there are only 38 that have assets of over $100 million.

Should you apply for funds from a foundation? From a purely mathematical point of view, your odds really aren't very good. If you are looking for money, the foundation isn't going to give you $1.00 for every $10.00 available to you. Even though you are faced with such odds, there are ways you can improve your chances and receive monies from some of the 26,000 foundations. Before we move into some of the mechanics, let me first give you some reference tools. The following books may be of assistance to you in selecting the foundation that may be interested in your project. These can be obtained through your library.

The Foundation Directory
The Foundation News
The Catholic Guide to Foundations
Annual Register of Grant Support
Where America's Large Foundations Make Their Grants
Taft Information Service

Before you can begin to raise foundation funds, you have to do a great deal of homework. The first thing you have to do is to ask hard questions of yourself. Who are you? What is unique about you? Second, you must develop a public relations program. People receive money when they are dynamic and know who they are and where they are going. They don't receive money when they are disorganized and dying. There isn't any lack of money, there is only a lack of credibility.

Once you have developed your plans and know who you are, how do you obtain a grant from a foundation? There is one cardinal rule to remember: Don't use a direct mail approach. Use a presentation that is tailored and packaged for a particular foundation. Three steps are important in selecting a foundation or foundations: 1) Select the appropriate one for your needs; 2) Identify and place a specific price on your project and 3) Involve key people in opening the door to the foundation. (e.g., member of the board, parent, faculty member, alumunus, friend of the school, etc.)

The next question you have to ask is who should approach the foundations- a volunteer or a professional? I can't answer that. In either case go prepared and make a presolicitation call and find out how the foundation fits your program. You are going to a market--use some of the same rules you use when you go shopping for yourself. Listen and observe what is said and suggested, and when you return home, prepare the final draft of your proposal. Put all the pertinent facts in your proposal. Supplement the proposal with pictures, brochures and other materials. The good proposal is one that is logical and concise and is tailored to a specific need and can demonstrate the value of that need to your total program.

To look at the characteristics of American foundations, let me again quote from Commager's article. He lists three characteristics.

> First, the foundation is impersonal, not the lengthened shadow of its founder or a convenient tax-free instrument for indulging his ego, but an institution as public as a university, run by independent trustees. Second, it is almost wholly secular. A few foundations include religious institutions in their categories of objectives, but most of them direct their support to a wide range of public services. Certainly this is true of such giants as the Ford, the Rockefeller, the Lilly, and the Carnegie foundations. Among the hundreds of major foundations, however, almost every conceivable interest is covered, specific as well as general, local as well as national, and even global.
>
> That suggests an intriguing third quality: though the foundation is very American in concept, the business of foundations is global. Thus, the Rockefeller Foundation revolutionizes agriculture in Mexico and builds libraries for Oxford and Cambridge. The Carnegie Foundation supports Scottish education; the Commonwealth Foundation subsidizes medical research in Africa and Asia....
>
> This is, indeed, the most striking quality of modern giving. It addresses itself primarily not to the relief of poverty and misery but to the search for the causes of these social ills and for their remedies....The major purpose of our great foundations is not to deal with the consequences of our economic and social and political disorder; it is to get at the causes of these disorders.[2]

From these characteristics we can define a foundation as follows: A foundation is an organized philanthropy which is a non-governmental and a non-profit organization having a principal fund of its own; managed by trustees and directors and established to maintain or aid social, education, religious or other activities serving the common welfare.

If these are the characteristics and a definition of a foundation, how does the foundation fit into your plans and what are some facts you should know about them.

There are approximately 26,000 foundations in the United States and they can be divided into five groups:

1) General Purpose Foundations - These foundations promote the welfare of mankind. Most of the large foundations fit into this category.
2) Special Purpose Foundations - These foundations concentrate on limited objectives such as education or medical research and may also limit their grants to a geographical area.
3) Family Foundations - These foundations are generally vehicles for continuing personal philanthropy of the donor. Their assets are usually small; however, they account for 20% of foundation giving.

---

[2] Commager, op. cit.

4) Company Sponsored Foundations - These foundations are conduits for corporate philanthropy.
5) Community Foundations - These foundations are a collection of separate funds and trusts and they disperse their resources sources to their community.

In closing, let me talk briefly about the future of foundation funding. The Tax Act of 1969 made foundations become more responsive to people's needs. It makes foundations give away their money. But how they will give away their money is up to you. Often it is difficult to find good projects to fund. Do not misunderstand me--I did not say that they have a difficult time giving away money, they don't. I said it is difficult to find good projects to fund. A proposal that is challenging to foundations is unique. You can help foundations be great givers by thinking boldly, by going beyond what is merely needed. In a democracy, participation is its very essence, so is your participation a very important aspect of American philanthropy.

OMAHA ARCHDIOCESAN EDUCATIONAL DEVELOPMENT

Rev. Thomas O'Brien
Superintendent of Schools
Archdiocese of Omaha

The educational development program which is presently operative in our Archdiocese, contains in one way or another all of the elements and emphases which have been presented during this workshop. Every topic that has been covered is crucial to Catholic education and each of these is a component found in our educational development program.

It is my intention to make some introductory observations for you about our program and then the other members of the Omaha contingent will straighten out any confusion that I have caused. What I would really like to do is to take all of the elements of this conference and the expertise demonstrated and place them into a context, a framework, if you will, which provides the person committed to Catholic education an organized position from which to carry out his responsibility. Educational development, as we understand it, involves a basic perception of reality through which we integrate, evaluate, and interpret faith, people, and stewardship.

It will be necessary for me to outline how we reached the stage in Omaha of seeing educational development as the only direction which made sense both for present conditions and future progress. And so, I would just briefly run you through the experiences we have had beginning in 1968. You may also have shared all or a number of these same experiences and if you have, you know how painful they can be. If you have not experienced them, then I would simply ask that you trust in this presentation and in a sense, be able to assure yourselves that there is no need to be involved in the same agony that we have experienced.

In 1968 our Archdiocese underwent a comprehensive financial study. This was a very sophisticated and expensive study. Really, the net result of this study was a headline in the Omaha daily paper: "The Catholic Schools in the Archdiocese of Omaha Face a Two Million Dollar Deficit at the End of the 1968 School Year". For some reason publicity like this does not generate optimism.

In 1969 we conducted a self study of all the individual parish units. This was not an expensive study but it did involve a lot of people at the parish level. This study began to give a sense of direction and encouraged neighboring parishes to talk to each other but we still received comments like the following: "If we're going to continue the way we are, we need money and more of it".

In 1970 our Department of Education established a study committee to thoroughly examine the possibility of central funding for the twelve Catholic high schools in the city of Omaha. This committee met for a full year and worked very diligently as it examined other efforts throughout the country of supporting Catholic high schools from a common source. When the findings of the

committee were presented to our pastors and lay representatives, the recommendations were soundly defeated.

It was about this same time that we took part in a statewide effort to pass a referendum which would give some dollar relief to parents of children attending our schools. This referendum was soundly defeated.

So where were we in 1971? We had an exhaustive financial study, a very complete self-study, an attempt at central funding, and a state-wide referendum, none of which gave us any answers. We knew what we were really looking for was a sense of direction and direction which would involve credibility for our parishes and schools.

What we decided to do was form another committee, and the best way to describe the charge given to this group would be "What in the world can we even study next in reference to Catholic education". This committee refused to become discouraged and it had broad representation as far as segments of the Omaha archdiocese were concerned. What the committee did determine and sort out was that after three studies and a referendum vote, we did have four serious areas of concern and these four existed in all of our parishes and schools. They were as follows:

1) Finances; funding, the dollars
2) Community or public relations
3) Acceptable business management procedures
4) The quality of our educational programs

Next, and at no expense to the archdiocese, we engaged the services of an educational consultant firm from Chicago, Gonser, Gerber, Tinker and Stuhr. Our Board of Education and Department of Education have been working with this particular firm since that time. I will not attempt to describe all the elements that were involved with our decision to engage the services of this firm, but I will tell you this: we had validly identified the four key components of any educational effort. In the process, however, we continued to put the cart before the horse, that is, we always talked about funding, financing, dollars first. It has been through the efforts of this consulting firm and our own willingness to undertake a direction that has required much effort and patience, that we now find ourselves in a position that is most positive, optimistic and effective.

I might add also that an approach such as this which is conceptual and demanding, does not fit too comfortably into a culture characterized by the instant and the disposable. I say this because my next point, I am sure, will seem so simplistic and so self-evident that I might be accused of looking for fast, fast, fast relief.

We no longer start with dollars and cents. The key to our development program is putting the four areas of concern and concentration identified by our studies in the right order:

1) Quality Catholic education
2) Acceptable business management procedures

3) Good public relations that lead to acceptance, involvement
4) Funding, i.e. the dollars

This order of priority must be adhered to both philosophically and practically.

When priorities are rightly ordered, you can answer questions like: "If our building burns down, do we still have a school?", and "What would we do with a $100,000 gift?"

CASE STATEMENT

Mr. Jerry Jarc
Foundation Officer
Archdiocese of Omaha

I would like to concentrate on one particular phase of our concept of development - the process for objectively responding to the question Fr. O'Brien raised, "Would you rebuild your school if it was destroyed by fire? and "What would you do with a $100,000 gift?"

This process is best illustrated by example. I have in my hand a telephone message that anyone of us here could have received this morning. It reads: "St. Philomena School completely destroyed by fire. Await your statement for media."

A simple message like this could involve a number of responses throughout this group. One of you may shout: "Hurray! Thank God. Ever since the Church eliminated St. Philomena, I've been wondering what to do with that school." Someone else may say without hesitation: "It shall be rebuilt, no question at all. It's been around for 40 years and shall continue." And someone else may say: "Well now I really don't know, I need more time to think about it." Regardless of your immediate response, you would probably think a great deal about the situation all the way home.

This process may be familiar to many of you and is called the development of a case statement. It is concise and objective when written in concrete terms. Let me illustrate the process another way from a situation that occurred recently.

Father Flynn and I had a session with the principal and head of the school board of one of our elementary schools. The eight-grade school operates on tuition only. They had come to us for our ideas on how to raise money for playground equipment, a new parking lot, and an additional building for the school.

We said to Sister, "Suppose we gave you a check for these improvements. Would it solve your problems?" "Well," she said, "it would help, but our real problem is enrollment. We stand to lose a third of our children due to transfers." (The school services an Air Force base and Air Force personnel; the Base will experience a massive shift of personnel this year.)

Sister's answer was the beginning of the process for formulating a Case Statement, i.e. a statement to identify what you really want for your school, where you are now, and where you want to go. Every educational unit under your responsibility must eventually go through this process.

What do you really want for your school? Do you want things, programs? Do you enroll kids to keep an English teacher busy? Do you hire an English teacher because you have children to serve? What makes your institution unique distinctly Catholic and how committed are you and the school staff to this distinctiveness?

Who do you serve and why? What is the profile of the students and parents in this school and within this community? Our principal determined her students came from every Air Force in the world. And she decided to recruit her future students through a series of articles in an Air Force publication that was circulated all over the world.

Once you have spelled out the unique characteristics of your school and the publics served, you can take a look at the programs and buildings that are now part of your unit and begin to think about where you want to be in five years. The total analysis always relates back to the what of your institution.

The total analysis should be put on paper. It should spell out your institution and the degree of faith commitment of yourself and everyone in that unit. Your staff should be able to repeat it and sell it to everyone else - the students, parents and community.

This concise statement is your CASE. By placing a "u" (You) in case, you have a CAUSE - your cause for seeking funding resources and support. Actually you are offering a money-back guarantee, backing and strengthening the product in which you want people to invest their children and money.

The product you want people to invest in is people - their formation and training in the Gospel message; their future contribution to enhancing and spreading that message.

Let's walk around your burnt-out school. Look at the soot, the blown-out windows, water soaked carpets, scarred and twisted school desks. Can we see anything left to rebuild?

I recall as a fiscal manager of a Pennsylvania diocese talking with a pastor as we walked around his 90 year old church which had just been partially destroyed by fire. I heard him say and I remember it to this day. "There is nothing left; it's not worth rebuilding." The more he talked, the more I knew it made little difference to him if we closed the parish or took the $260,000 insurance check and rebuilt it. I'm glad now the insurance money

was not spent on an institution whose existence made little difference. The ultimate decision not to rebuild in this instance was a good one - there was nothing left; no one knew what they wanted, really wanted from the parish, nor what they could give to the parish.

If you come away from this amazed and excited about the prospects for your institutions, and if you can clearly identify and spell out the case statement for each one of your units, and if what you find is quality Catholic education, good management procedures and a good public image, you will begin to determine your funding options almost as a by-product.

FUNDING OPTIONS

Rev. John A. Flynn
Director of Education
Archdiocese of Omaha

By now we hope that you understand why we in the development businesss do not use the term "fund raising". We are convinced that quality education, faith people, educational and personal committment, business management procedures and good public relations attract people and funding.

In this final aspect, funding, we need be precise and specific in our thinking and efforts. The CASE STATEMENT for Cardinal Spellman School or St. _____ Church states clearly:

1) This is what we are all about
2) This is where we are
3) This is where we are going
4) It's a great privilege and a great joy to have a part in this exciting, fascinating school and we invite you to be a part of it.

The catalogue of investment options will offer you many different opportunities for involvement. This catlogue of investment options is a group of program descriptions all showing:

1) What this program is, e.g., In-Service for Administrators
2) Where we are
3) What we could do with "X" amount of dollars.

The index or list of these programs serves several purposes.

1) It is an expanded budget. Your budget approval structure approves your seeking this funding along with your regular budget.
2) It provides a portfolio or handy "sales kit" or ready reference file for any potential investor to consider. It is very much

like the list of items available for contributors to the new church, e.g., stained glass windows, stations, altar, statues, tabernacle lamp, etc.

Your catalogue of investment options identifies the possible ways and offers the opportunities that appeal to a wide selection of investors.

The final step in specifying investment options is identifying your prospective investment dollars. They are relatively easy to list: tuition, business, industry, private individuals, foundation grants, government grants, endowment programs and estate planning programs.

The sales talk, mini CASE statement, the presentation of the gift options, the invitation to invest, the grant proposal--whatever form it takes--will have certain common denominators and certain differences depending upon the invitee, regardless of whether the invitee is an industry person, a foundation representative or a private individual.

Research is required into the special interests of all invitees. One foundation we deal with received its funds from beer, one from a newspaper, another from spaghetti, another from motion picture theatres. As one college president finished his story to a potential investor, the man asked how his sophomore son was getting along. The college president was aghast because he did not know the boy was in his college. If you are going to the Goodrich Foundation, it is better not to mention the famous blimp you saw at the game last week.

Other elements of the sales talk have to become a part of the everyday vocabulary of all the members of your team. Take a foundation proposal, for example. You need to:

1) Assume nothing - explain carefully your name and job and exactly what you represent in detail.
2) Explain you are part of a larger program:
   - a _____ as a part of a larger scholarship program
   - a scholarship program as a part of an endowment fund.
3) Show the local support and effort already involved.
4) Give the history of your success.
5) Explain the future plans for becoming self supporting and your continued effort to maintain that status.
6) Present the budget with several options:
   - $300,000 will provide ten of your schools with one furnished room and teacher for the deaf for one year
   - $100,000 will provide three of your schools with the same
   - $ 35,000 will provide one school with the same.
7) Explain your program is unique and how it will influence others; how it is a pilot program.
8) Close the deal; mention a precise amount of dollars you are suggesting.

The last of the list of investment opportunities mentioned was estate planning programs. In Omaha, we have one parish that had 12 wills changed; another had 110 persons come on a Sunday to hear about the new estate tax

laws; another has estate planning meetings for elderly, middle-aged and young four times a year. One parish has a committee of men--none professional lawyers, CPA's or tax specialists--who simply visit each home to offer to discuss financial planning. They learned their technique, jargon and limitation from a professional firm, of which there are many.

In conclusion Mother Seton, the foundress of Catholic schools, was in the faith business;

She had a commitment to Christ.
She was in the people business, bringing Church to people.
She was in the education business, as an expression of her faith in people.
She had a vision and that was a school.

But she was also in the development business and she put together a great CASE STATEMENT.

BUDGETING, ACCOUNTING AND REPORTING

Mr. John J. Augenstein
Superintendent of Schools
Youngstown, Ohio

(Editor's Note: The report on the 1974 National Conference on Catholic School Finance contains an extensive account of budgeting and accounting by Mr. Augenstein. It is accompanied by numerous sample forms.)

The purpose of this paper is to explain accounting, reporting, and budgeting procedures by drawing upon the Youngstown experience. Presumably, this paper will accomplish one of three results:

1) Motivate those who have no uniform procedures and forms to develop and implement such.
2) Confirm or reaffirm the value of uniform procedures and forms for those whose accounting system is at the same stage of development as Youngstown.
3) Relieve those whose system is already more sophisticated and further along in implementation.

Budgeting

Budgeting is a process for systematically relating the expenditures of funds to the accomplishments of planned objectives. In years gone by, the procedure followed was to spend as needed, and as directed and then "post factum" provide a rundown of expenses and call that a budget. In other words, it was budgeting with hindsight and not with foresight. Budgeting is really the forecasting of expenses within the measure of foreseeable income. Is it possible? Yes. It becomes more understandable and usable with experience.

In order to understand budgeting, one must consider it in a very broad process. That process includes these functions: planning, programming, budgeting, accounting, reporting. There is an interaction among each of the components and the first three can be taking place at the same time.

Planning is deciding in advance what is to be done or to put it another way, a plan is a projected course of action. Planning is working out in broad outline the things that need to be done and the methods for doing them to accomplish the purpose set for the school or department. The strategy of planning is to decide on objectives of the school or department; on changes that might or can occur in these objectives and on the policies that are to govern the acquisition, use and disposition of these resources. Resources include not only money, but also people, places and things.

Budgeting is the process of expressing in units and dollars plans for school or a portion of the school. Usually, it is for a specific period of time and normally for a year.

A budget is the reduction of your plan of a school's operation into quantitative financial terms. In the course of translating overall plans into units of production, or better, of service, number of employees, units of time, income and expenses, modification of plans are often found necessary in order to produce the best results. A budget may well reveal that the results expected on a particular plan are inadequate, and thus should be revised.

The budget is an accounting tool which accomplishes three things:

1) It speaks to management
2) It provides a control device
3) It serves as an evaluation vehicle

The budget answers questions such as: Is the school working within the available resources? Is it achieving what it set out to accomplish? The budget an an evaluation vehicle accomplishes two ends: it indicates what jobs are being performed and how much they cost.

Some persons may feel that the detailed work of budgeting, accounting and reporting and their time requirement may not produce sufficient results to warrant such a time expenditure. Such a conclusion would not be correct.

School financial information can be used and found helpful in the overall operation. For example, such financial information can be used:

1) To monitor and analyze sources of income and areas of expense by school, region, or diocese
2) As a resource for financial projections (budgeting)
3) As a resource for studies for committees and boards
4) As important input for decisions on school closings, consolidations and reorganizations

TUITION PROGRAMS IN CATHOLIC SCHOOLS

Mr. Bernard D. Helfrich
Superintendent of Schools
Diocese of Bridgeport

Tuition - the price of or payment for instruction. A simple enough definition for all of us in Catholic schools to accept as the rationale for the existence of a needed and necessary component of our financial programs. Indeed, the unfortunate circumstance is that the tuition program, in whatever form, occupies a great part of a working day and therefore, negates somewhat our abilities to perform as educators. Be that as it may, we are destined to "live with the monster" and further, to accept the basic and true fact that tuition is a necessity to any funding program for Catholic schools.

I am not an expert on tuition programs, nor can I give you the format of a program which will serve your needs and elicit the response of your parents. But, in the context of being a resource person, I believe my sharing with you of plans and programs I have researched, will be of some benefit to you. Hopefully, you will better understand the entire tuition question and gain some ideas of the various approaches to the question. The adaptation of these programs to fit your situation will be the real measure of the worth of this information.

The information I am sharing with you is a composite of two separate surveys I conducted; the first in 1974 and again in 1976. In both years, I sampled dioceses all over the nation; small, medium and large, asking the same question: "Does your diocese have a tuition program which can be considered as innovative or different?" The responses reflected an overwhelming majority as having standard tuition programs. However, I did unearth a few unique programs which I intend to share in detail with you.

One of the observations I gleamed from the respondents which, I'm sure, comes to you as no surprise, is that tuition payments, by far, are the prime source of support for Catholic schools. Subsidy programs and fund raising events place a far second to the tuition programs in terms of raising needed monies. Another observation I share with you from this research is that diocesan and parish subsidy programs generally are structured to the financial capabilities of the institutions with very little reference to a plan or design with long-range implications.

In previous presentations I have reported on some unique tuition programs. Many of these have been detailed in previous Catholic School Finance publications (1974 and 1975). Some of these are:

1) Negotiated Tuition Program
2) Variable Rating Plan
3) Use of Mastercharge, Bank Americard
4) Low Interest Bank Loans
5) Stewardship Plan

Two other programs which are considered unique in some way and worthy of attention are the Total Pay Plan and the Tuition Assistance Program.

Total Pay Plan

This plan calls for the full payment of the established tuition and an additional fee for "capital improvements" in early spring of the preceding school year.

Payments are made directly to a local bank when financing of the total amount, or a portion of it, can be secured at a reduced interest rate, with no credit check. This approach assures the school of two things: one, a necessary cash flow to meet expenses, and two, the school is able to invert the total principal for the maximum amount of time to realize a substantial return.

Key elements of this plan are that all tuitions are paid in full in the preceding school year, the capital improvement fee is paid by all and that a local bank handles all transactions.

Tuition Assistance Program (T.A.P.)

This program addresses itself to three components of the financial plan for any school, namely, establishment of a tuition rate which reflects the true cost of educating a student, funding of a Tuition Assistance Program for the school and reduction of the school's fund raising activities.

With the clear and express intent of not denying the opportunity to any student who desires placement in the school, the Tuition Assistance Program uses the subsidy received from the diocese and fund raising profits to offset overly expensive costs for each student.

The "ability to pay" factor is built in with the additional incentive of having available monies for those who cannot meet the true cost for educating each student. More importantly, it does away with the perennial problem of having those parents who are "not involved", assist in some way, either directly or indirectly.

Additionally, it gives the school the opportunity to accrue a "cushion" for succeeding years and realistically address itself to the future of the school in terms of parental support and desire to perpetuate Catholic education.

One key element to this program is that it allows for individuals, institutions, corporations, and others to contribute directly to the tuitions of students and not to the deficit of an operation. This has much merit.

It is obvious that there is a variety of programs and approaches to tuition in use by our Catholic schools. I was searching and will continue to search for uniqueness in dealing with the tuition dilemna. I hope that some of the programs presented here will give you impetus to design your own approach to the problem.

THE ALL LAY SCHOOL

Ms. Caroline Cappell
Principal, St. Genevieve School
Thibodaux, Louisiana

I know I have a unique story to tell and I hope its chapters can be of use to you. I'd like to try to tell you how our little school has managed to thrive healthily. And I dare to say this in terms of spiritual health, academic health and fiscal health. Needless to say it will be my job to focus on the last of these. To understand this you'd have to know who we are and from whence we've come.

I am in my seventh year as principal of a small Catholic elementary school. St. Genevieve School has 182 families with 280 students in grades K through seven - one section of each grade. Our faculty consists of eight full-time, three part-time teachers and myself. Of all of our teachers six are fully certified. Of those six one has a master's degree plus thirty hours. Of the two not certified, one, our kindergarten teacher, has no college work at all. The other has a liberal arts degree. The median age of our faculty is 34 years. The median year of experience is nine years. Half of our teachers have had public school experience. Four of us are converts from the local public system. For seven years now we have been an all lay faculty. We feel we have come a long way in these seven years. We feel that our financial success (if we can call it that) has been concomitant with our having been blessed as a truly religious school and our approval in the academics as well. After having completed our self study last spring, the visiting committee gave our product a label of "quality education". At the risk of coming off anything but humble I would like to quote from the committee's statements on our philosophy and religion reports. This may not be important to you but it is critical for me. There is no way I can hold up our little school's financial solvency as worthy of note unless you are sure that it is enhanced by and not in spite of the religious and academic programs we offer.

> We are impressed with your philosophy because its focus is that, gospel, hope and life, which we believe is the process of humanization. This is lived at St. Genevieve's. We can feel it in every room; it is in the atmosphere we breathe. Simple in design and structure, your philosophy nourishes the human spirit from within by supporting self-esteem as the foundation upon which to build a people who can increase in sensitivity, compassion and honesty. The living reality we experienced here cannot help but inculcate those values long cherished by the Christian people though given more lip than service in many segments of society.

We have come from a point where self consciously and unsure of ourselves we struggled hardest at being our best in the spirit realm. And now to the point where we have won a place in our archdiocese as a school where our Lord's work and word are alive.

To get to the point from which we've come to the present point - financially speaking:

1) We've come from a point when I can remember well knocking on the rectory door one night in tears to tell our pastor we couldn't make the next day's payroll. Job-like character that he is, he laughed at the old familiar plight. Now I don't remember how we made it but two months later he and our school board president were literally begging favored parishioners for special help. They had to raise $5,000 to meet the summer payroll.

   Today, with a budget of $109,000 we have some $4,000 in savings. It appears that we may not need to draw all of our parish subsidy of $20,000 for this year and our Home and School Association has at least $8,000 in savings. Our tuition is $240 a year at present. This is below the Archdiocesan average of $258.

2) We've come from a point where the parish council seriously questioned the validity of keeping the school open (having just lost the School Sisters of Notre Dame and having less than 10% of the parishioners avail themselves of its use) to a point where it has more than tripled its annual cash subsidy to the tune of $82.00 per child per year. And today there are 100 children on our waiting list, most of whom, of course, are parishioners.

   We have also come to the point where our school board is researching ways to get our families to recognize the inequity in our system - parishioner vs. non-parishioner - in support of church and school.

3) We have come from a point where we had three teachers in one year for fourth grade to a stabilized faculty community with no changes in our full-time roster for three years now. We anticipate no new names on our roster for next year either.

4) We have come from a point where mere survival was the challenge of the hour to a point of concern now for the numbers waiting at the door.

5) We have NOT come from a point where our teachers' salaries were far below their public school counterparts. We are still at that point and what's more the gap is widening. Our contributed services this year - mind you now for an all-lay faculty - is some $25,000, with an average gap nearly of $3,000 per teacher.

So much for the seven year pitch. How we've arrived where we are today - why we've arrived there is in a word SACRIFICE. The whole community--parents, teachers, staff, parish and even the children--had to give. I'm a big believer in keeping everybody informed as to who's doing what sacrificing. The Lord reminds us not to let our left hand know what our right hand is doing, but nowhere in Scripture does it say not to let the parish council know what the teachers are giving (The Lord used the poor widow to teach by example.) Nor

does the Good News indicate that parents ought not to know what the parish is sacrificing. Very seriously, that Scripture quote has plagued me personally because for four years I have not accepted the annual raise offered in my own salary. Only recently have I let parents and parish know this publicly because I believe that spirit begets spirit. And a sense of what is being sacrificed may motivate others to do one of two things: at worst - stop complaining; at best - make their own effort at sacrificing or at least accept the sacrifice put upon them.

Regardless of our own personal and particular motives the fact remains, whatever the reason, that we are indeed sacrificing and the Lord's purpose is being served. And many people are not aware of the degree to which Christian Community exists until they see how the common good is being served. They only begin to see this in action when you spell it out for them. Then they begin to take pride in what they had not even recognized as their contribution. Ideally, of course, it should be the other way around: the Christian Community is formed and takes together the necessary steps for the common good, as described in the Acts of the Apostles (chapter 4). "The community of believers was of one heart and one mind...nor was there anyone needy among them." But St. Paul in Philippians tells us that regardless of our motives, be they specious or pure, if the will of the Lord is being served that's what counts.

We believe that our children can best appreciate their parents, their school and their parish if they have some idea of the efforts of each. We also give them as many opportunities as possible to make contributions themselves. For example, for the parish fair they are the clean-up force and with the exception of moving heavy equipment they set the place at right again after the fair. Last month the 280 of them sold 12,000 bars of candy in two weeks time; the proceeds of which financed teacher bonuses at an average of $200 per teacher and funded our bonus-days program.

We've come a long way in realizing that there are means to use our dollars in the budgeted amont for teachers' pay in a way that speaks louder than an annual increment might. There are what I call "Beyond-the-Fringe" benefits. By definition these benefits have to be of the extraordinary variety. Here is my rule of thumb test that such a benefit must pass to be deemed Beyond-the-Fringe: It must evoke from me the following reaction: "Wow, that would never have happened to me in the public schools!"

Given a flat sum each year for which to use for faculty pay, a portion is always set aside for these Beyond-the-Fringe benefits. This year we will have used at least 10% of those alloted funds in the following ways:

1) Because our teacher attendance record last year was so high (and it is very important that our teachers understood the why of the board's decision), each teacher was awarded two bonus days this year. These are two days which they could choose to use as they wished or receive for them per diem pay at anytime during the year. The idea was well received. One teacher spoke out on behalf of the faculty, moved in gratitude for the good will of the board. His two days would cost the school $84.00 at the most--he would hardly have noticed an $84.00 increase in salary this year.

2) Each of our teachers is given $200 to $300 annually to spend on classroom needs and teaching aids. This has done so much to improve material use and frugality in spending.

3) The Home and School Association hosts a fund raising event that specifically covers their Christmas bonus to the teachers.

4) Every Wednesday afternoon our faculty workshops for an hour after school. Teachers are hired on that condition. Originally the Christmas bonus came on a Wednesday afternoon as a gesture of appreciation - not pay - for those very afternoons. All of the teachers had agreed to stay weekly without knowledge of any kind of remuneration before hand.

5) For any college work up to three hours per semester toward a degree bachelor's or master's or toward certification, our school pays a teacher's tuition.

6) Barring any crisis at Mardi Gras time the teachers have come to expect a Fat Tuesday. In keeping with the tradition that stored up food is used up (in this case before it has to be returned to its source perhaps), funds are used likewise in the form of merit pay. Not all teachers' checks are alike and they know it.

7) Short-term summer jobs in program planning are funded at regular salary for teachers who are invited to work.

8) Often the school petitions teachers to attend specific workshops. Sometimes the teachers request to attend some such in-service offering. These are funded by the school. Usually the fees and a per diem stipend are met. Often moms prepare box lunches and even provide the transportation.

And of course, there are many behond "beyond the fringe" benefits where no money is given or received - only love. And these are the clinchers; these are the times that "buy" men's souls - not in a mercenary way but in a cup running over kind of charity. This is the magic that makes for staying power. Last year when I popped the big question to a young single teacher, "Will you be back with us next year?" She replied, "I'm caught just as you are, I can't leave." I resisted the temptation with her (I won't with you) to say, "I'm not caught. I'm not even tempted to leave." This year I think she's reached that point, too.

Some of our beyond "beyond the fringe" benefits are:

1) We have a fantastic parent volunteer program. Moms are engaged in formal, paraprofessional roles in the classrooms particularly in our reading program. Our library is completely staffed by volunteers. Duty, clerical work, driving, pick-up and delivery service, testing, tutoring - you name it - our parents do it! Last year every one of our classrooms was painted by a team of its teacher plus its parents. One dad - a school board member - took it upon himself to steam clean the building one weekend.

2) On another occasion we went twenty-seven days without a janitor. It was the first (and I hope the last) time the toilets were cleaned by a team of the principal and local pathologist!

3) During the gasoline shortage one mom actually came to school ready to shuttle back and forth with one and then another of the faculty's cars until she would have had them all tanked up for us. We put our feet down. That was too much.

I could go on and on but I think I've made my point that spirit does beget spirit. You get the feeling after a while that parents and teachers are trying to out-do for each other.

My favorite personal contribution to each individual faculty member is a day (one in the year) when I take their place in the classroom so that they can make a day of retreat. The only stipulations are that they get away from home, usually to a retreat house, where they spend time with the Lord and themselves and that they share the fruits of that day with us at our next Wednesday workshop. We try to schedule that day when they would like it. The entire school community is asked to join in prayer for that teacher on that special day.

Our focus in these past few years has been directed at improving the lot of our teachers. I felt we had succeeded at least to some degree when one of them (a public school teacher who transferred to our school at a loss of over $2,000.00 in salary in doing so) remarked the other day, "Our teachers are spoiled!"

Our task this year is to get our families to recognize the obligation that is ours, first to the church, and then to the school as an extension of the church in terms of support. The question of parish and school finance is not the most important one the community is facing in setting its priorities; but I dare say the Christian value and principle involved is a top priority. If we are Catholics first, our church is our priority and the welfare of the total parish community should also be our concern. There must be a mutual share of the burden as well as the value. Our church so values the school that it has been willing - in a family spirit - to make whatever sacrifices are necessary to maintain it. Our request has not increased in three years (And what with the depreciation of the dollar we can look at the maintenance level of our subsidy equivalent to asking less and less.). Our subsidy is roughly 10% of our parish budget and 18% of our own. That the parish deems school support of paramount importance is evident in their response. As a member of the Parish Council, I can attest to the fact that no member has ever questioned (at a meeting where it should be questioned) the fact that so much went for so few. I believe that the council shares in our pride in our little school and is completely supportive of opportunities (like mine in writing this article) to share our good news beyond the confines of our parish lines.

It pains me to tell you that only fifty percent of our parish families in the school are presently regular envelope users. It is our school board's conviction that this is in sharp contradiction to our philosophy. As of this year's registration all families must be recognized as regular conributors or

be classified non-parishioners and taxed accordingly. We are not asking, nor even advising what each family should give, only that they give. In priority-ranking their reasons for sending children to our school the number two objective indicated in a poll of all parents was to give our children a sense of values. Must this not begin with support of our church? We think it does.

This issue of church support highlights the need for everyone concerned with Catholic education to be clear that our schools must be Christian in philosophy. They must be schools that respect the teachings of the church today.

I believe it of critical importance that parents and faculty be in on the on-going development as well as the implementation of the school philosophy. I believe that all of us need be generously committed to that philosophy. I see it my duty, as its chief administrator, to interview all incoming teachers and familiies in the light of the philosophy and goals of the school.

It is certainly my hope - and has been my prayer - that I might shed some new light, provide some new possibility for a school like ours that believes it continues to thrive because the Lord wants it to. Long ago I dismissed the worry of how we'd keep going. Do what we will and what we can but the answer, as always, rests with the Lord, the supernatural superintendent!

We have miles to go in reaching some understanding of what is right and just; what to ask and what to expect of those upon whom it is incumbent to pay the price for Catholic education. All things considered, I feel a bit like the mom who gave her own nine-weeks appraisal of her dear little lad's performance in school. "We ain't what we ought to be, and we ain't what we will be; but at least we sure ain't what we was!"

VOLUNTARY SUPPORT OF CATHOLIC SCHOOLS in the CENTRAL CITY OF MILWAUKEE

Rev. John Hanley
Superintendent of Schools
Milwaukee, Wisconsin

It is a truism to say that the support of Catholic schools in America is done voluntarily. For elementary schools, support has come traditionally from the parish. This support, in turn, is contributed by parishioners. Tuition is freely paid by parents who choose to send their children to a Catholic school. Foundations, and, at times, business firms contribute to the support of Catholic education. No matter how financing is obtained, basically, it comes voluntarily.

In many parts of the country, there has been a variation in the method in which voluntary support comes to the school. A diocese or archdiocese collects funds freely given and in turn distributes them as a subsidy to schools in areas in which the population is one with a low income. This concept of subsidy has caused certain problems. As financial demands have increased, some dioceses have been forced to suspend subsidies to schools in need.

In the Archdiocese of Milwaukee, the concept of archdiocesan subsidy is almost unknown. Apart from a short two-year period in the very early 1970's, there has been no subsidy on the part of the Archdiocese for any schools. Using certain case histories drawn from experience in the inner city of Milwaukee, the point will be made that voluntary support of the schools rather than archdiocesan subsidy is still the best approach for support.

In the late 1960's, thirteen Catholic schools in the inner city of Milwaukee chose to leave the Archdiocesan system and become community schools. For practical purposes, the presence of a Catholic school in the inner city was gone. The schools remaining, on the periphery of the inner city were badly shaken by their own financial difficulties and by the experience of the community schools. Today, only four of those community schools survive and three of them are in difficult financial straits.

In the autumn of 1972, a meeting was held under the auspices of the Department of Education of the Archdiocese to consider the financial situation and other matters concerning the Catholic schools on the periphery of the inner city and the remaining community schools in the inner city.

Twenty-six schools were involved in the initial planning. These schools divided into three groups to consider their problems separately. The Archdiocese retained a coordinator to work with the groups to define their unique problems and then to prioritize the proposed solutions of these problems.

One of the three groups, composed of six schools, was in the most difficult situation. Attention will be given to that group. Working with the coordinator provided by the Archdiocese, the schools began a series of intensive

meetings. Pastors of the six parishes and principals of the schools worked together from the beginning. Out of that planning came a comprehensive project under the name "The Central City Grade School Program."

The first concern of the group was to strengthen their financial situation. Their efforts concentrated in two areas: increased internal support, and a quest for additional external support.

The morale of the participants, initially, was very low. There was a feeling that it was impossible to increase support from a dwindling number of parishioners to support schools maintained by the six parishes. Working together, however, a professional fund raiser was retained, and, to everyone's surprise, each of the parishes was able to increase support from the parishioners in the local communities supporting the schools. In one situation, that had appeared to be hopeless, income from parishioners alone increased by $75,000 in one year.

The Central City schools retained their own development director after the initial year of planning. This director developed publicity techniques to tell the story of the schools to the community outside the immediate neighborhood. Approaches were made to foundations and to the business community for support. External fund raising was done in two areas, gaining scholarship support from foundations for the very poorest of students, and gaining unspecified funds for the general operations of the schools themselves. In a five-year period, more than $250,000 has been raised from external sources. The most promising effort is still to come. The president of one of the national breweries with headquarters in Milwaukee, along with the president of one of the largest banks are in the process of organizaing a committee from the business community to further support for the Central City Program.

The Central City effort has these unique features beyond fund-raising:

1) A successful effort has been made to enrich the curriculum of the six schools through joint planning and sharing of resources.

2) The regular meetings of the group (in which each school is represented by the pastor and the principal) have strengthened the leadership of the entire area because of mutually perceived needs and mutually agreed-upon solutions to problems.

3) The Central City Program is able to gain access to supportive elements working together that never could have been achieved alone, e.g., lawyers and an accounting firm have donated their services to the group. Commerical interests have assisted with materials and other equipment.

Five years ago, there was a feeling that the Archdiocese alone, through subsidy, could salvage the situation. Today, through successful efforts, there is an acceptance of the concept of increased voluntary support for the schools. The situation is one that still could be called difficult, but there is a spirit of strength and confidence in the future that was not present

before. Apart from the Central City Program, another approach has been tried very recently in the area of finance. One of the thirteen Catholic schools that left the system to become a community school is located at St. Leo's parish in the inner city. St. Leo's school became "Leo School." Under the community school's concept, the future of the school this year was very doubtful.

A new pastor was assigned to St. Leo's this past fall. He has developed a unique model apart from the Central City Program to support a re-opening of the school as a Catholic St. Leo School in the Archdiocesean system.

The new pastor determined that, apart from parish subsidy and tuition, $60,000 a year in additional funds would be needed to maintain the Catholic school.

He proposed to approach six parishes in the outlying parts of Milwaukee County and ask each of them to contribute at least $10,000 annually to the support of his school. St. Leo's will re-open in September 1977. The $60,000 and more has been pledged to meet the needed subsidy. The approach here was to parishes directly. The Archbishop was not asked to place an assessment on any parish. Rather, the pastor of St. Leo's approached the decision-makers in the outlying parishes and obtained their cooperation. The model again indicates that a voluntary appeal can be more successful than a resented tax imposed by the Ordinary of the Archdiocese.

The experience gained, the example of the Central City Grade School program, the new St. Leo's model, reinforces the conviction that approaching grass-root level of the Catholic population for support is the key to maintaining schools in the poorer areas of urban centers. The best method of making this appeal is through unified action on the part of all the schools involved in a central city. In this unity, there can be greater impact on those approached, there can be greater coordination of program, and above all, there can be mutual support of one school to the other.

The experience gained in the past few years in the Central City of Milwaukee can be summed up in the simple concept, "Working together gives strength with added emphasis on the idea that strength comes through emphasis on increased voluntary support for schools."